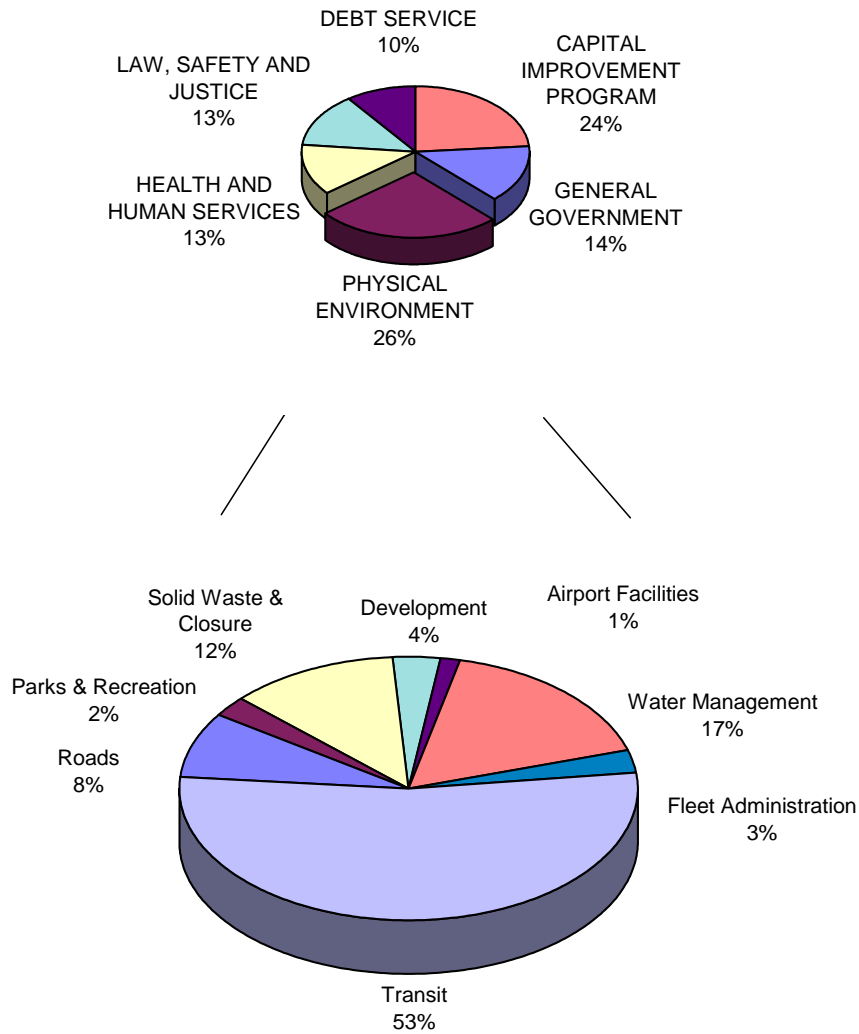


PHYSICAL ENVIRONMENT

Physical Environment \$881 Million



Organization of the Pie Chart: The following agencies were combined to make the pie chart more readable.

Roads: Roads and Stormwater Decant

Parks & Recreation: Parks & Recreation, Youth Sports Facilities Grants.

Solid Waste & Closure: DNR Admin., Solid Waste, Post-Closure Landfill Maintenance, DNR GIS Management.

Development: Development & Environmental Services

Water Management: Intercounty River Improvement, River Improvement, Water & Land Resources (SWM), Wastewater Treatment, Noxious Weeds, and Rural Drainage.

Fleet Administration: Motor Pool Equip Rental, Equipment Repair & Replacement, Transit Non-Revenue Vehicles, Transit Fleet Replacement, and Water Pollution Control Equipment.

Transit: Transit

Source: Program Plan Summary Page (Found at the end of the section).

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM EXPLANATIONS

INTRODUCTION

The Physical Environment Program supports all services related to building and land use permitting, community and regional parks, various recreational programs, solid waste disposal, surface water management, wastewater treatment, roads and transit operations. These services are delivered by three County departments:

- Department of Development and Environmental Services (DDES),
- Department of Natural Resources and Parks (DNRP), and
- Department of Transportation (DOT).

These departments are supported by dedicated funding sources and, through careful financial management, are dedicated to providing services that enhance the quality of life and economic vitality of the Puget Sound region.

The Department of Development and Environmental Services (DDES) is in the second year of a fee restructuring that was adopted in mid 2003 and took effect in 2004. The fee increase was intended to insure long-term financial stability of the DDES fund and allow revenues to meet current and future cost increases. At the time that the fee restructuring was being implemented, the sustained low interest rates environment was unforeseen. In late 2004, the department determined that some of the new fees were not necessary to achieve financial goals. As a result, those specific fees were rolled back to pre-restructuring levels and the department refunded \$1.6 million to permit rate payers.

The Department's business model approach requires a regular adjustment of staffing, business practices and customer service levels in accordance with the resources available. The 2006 activity forecast for the building and land development industry, as developed by DDES in consultation with industry representatives, calls for continuance of 2005 business levels. The department will continue to take advantage of efficiency opportunities in the processing of permits and shift resources appropriately.

The Department of Natural Resources and Parks (DNRP) serves as the steward of the region's environment by protecting the water, land and natural habitats, safely disposing of and reusing wastewater and solid waste, and providing natural areas, parks and recreation programs. It provides these services through six divisions: DNRP Administration, GIS Center, Wastewater Treatment Division, Water and Land Resources Division, Solid Waste Division, and the Parks and Recreation Division. The 2006 Executive Proposed Budget for the DNRP divisions highlights the County's commitment to providing efficient and effective services to the community through sound financial management practices. The highlights of the 2006 Executive Proposed Budget for DNRP are as follows:

- **DNRP Administration:** The 2006 Executive Proposed Budget for DNRP Administration implements a re-organization that is designed to enhance and centralize policy development functions that were previously spread throughout DNRP divisions. The re-organization also features a downsizing of administrative support functions that had previously been provided by DNRP Administration. The re-organization will better position DNRP to address and develop responses to Executive policy priorities.
- **Geographic Information System (GIS) Center:** The GIS Center provides all County users with a single point of accountability for equitable access to consistent and accurate GIS data and products. The 2006 Executive Proposed Budget for the GIS Center generally reflects a status quo budget with a few technical adjustments to reflect standard re-alignment of work between cost centers. In 2006, GIS will also devote an existing FTE to operate and maintain the Executive's

PHYSICAL ENVIRONMENT PROGRAM PLAN

KingStat Performance Measurement Database system.

- **Parks and Recreation Division:** The Parks and Recreation Division administers a system of regional parks, regional trails, and recreational facilities. The division will continue to administer local parks in unincorporated King County where the County is the only local service provider. Consistent with the division's business plan, the division also administers a limited number of facilities in the unincorporated urban growth area, until such time as these facilities are transferred to cities in the County. The 2006 Executive Proposed Budget reflects the anticipated transfer of Parks facilities as a result of the Klahanie annexation in early 2006. In addition, the 2006 Executive Proposed Budget assumes the savings resulting from the transfer of the Evergreen and Renton swimming pools to the Northwest Center. Together, these facility transfers will save the division over \$837,000, \$404,000 of which is savings to the CX Fund.

The division is funded primarily by the Parks Levy (\$12 million), which commenced in 2004. The remaining funding for the Parks Division (approximately \$8.6 million) comes from various business revenues such as user fees and entrepreneurial efforts, REET funding for CIP planning, and a Current Expense (CX) Fund transfer of approximately \$2.4 million, which supports the remaining Parks facilities and programs located in urban growth areas of the County. The Parks Levy expires at the end of 2007. The Parks Division, in 2006, will continue planning efforts for the likelihood of placing a levy renewal measure on the ballot in the spring of 2007.

- **Solid Waste Division (SWD):** SWD protects public health by administering the safe transfer and disposal of solid waste through a regional system of transfer stations and a regional landfill. The division's financing is generated through disposal fees. Solid Waste originally planned to seek a fee increase for 2007. Sound financial management practices mean that Solid Waste can maintain a stable tipping fee of \$82.50 per ton until 2008.
- **Wastewater Treatment Division (WTD):** WTD improves water quality and protects public health by transporting and treating sewage and safely disposing of biosolids. The division's financing is generated through a regional sewer rate collected from the component sewer agencies and a capacity charge on new sewer hook-ups. In June 2005, the Council approved a new rate of \$25.60 per Residential Customer Equivalent (RCE) for 2006 – the same rate as was approved for 2005. The 2006 Executive Proposed Budget for WTD represents the second year of the biennial budget pilot project that was implemented for WTD as part of the 2005 budget process. After adoption of the 2006 budget, the results of the biennial budget process will be evaluated.
- **Water and Land Resources Division (WLRD):** WLRD improves water quality and protects the environment by administering the surface water drainage utility for unincorporated King County, the regional flood control programs and facilities and a variety of stewardship programs to protect watersheds, and rural and resource lands. Financing for the division is provided from a variety of sources, including a drainage fee in the unincorporated area, river improvement levy, noxious weed assessment, interfund transfers from the Wastewater Treatment Division and the Local Hazardous Waste program, contract payments from cities, and grants. The 2006 Executive Proposed Budget for WLRD features a number of changes, including a financial re-organization that better aligns resources along regional and local service areas and a re-prioritization of services in response to changes in a number of major revenue sources. The 2006 Executive Proposed Budget continues the County's commitment to a number of important programs, including salmon conservation and watershed management, the Critical Areas Ordinance (CAO), Culver/WaterWorks Block Grants, and the King Conservation District. In addition, the 2006 Executive Proposed Budget is developed on an assumption that sound financial management will allow the Noxious Weed program to delay seeking a fee increase until 2007.

The Department of Transportation (DOT) comprises several divisions that provide services related to public transportation, community outreach on transportation issues, road construction and mainte-

PHYSICAL ENVIRONMENT PROGRAM PLAN

nance, regional aviation, and fleet management. Like DNRP, the 2006 Executive Proposed Budget for the DOT divisions highlights the County's commitment to providing efficient and effective services to the community through sound financial management practices. The highlights of the 2006 Executive Proposed Budget for DOT are as follows:

- **DOT Director's Office** provides leadership, advocacy, and support for the Department. The Director's staff maintains good relations with DOT's customers and the community through inter-governmental, community, and media relations; transit-oriented development projects; and transportation planning. The 2006 Executive Proposed Budget for the DOT Director's Office adds an emergency preparedness term-limited temporary (TLT) position to improve DOT's preparedness to respond to an emergency.
- **Transit Division** provides and coordinates countywide bus service; manages vanpool and ride-share systems; and provides paratransit services for elderly and/or disabled riders. Transit also works with Sound Transit to integrate and prepare for implementation of rail and bus services in 2006 and beyond. The 2006 Executive Proposed Budget for Transit features assumptions for modest gains in ridership and the expansion of 26,803 hours of bus service in the eastern and southern portions of King County. The 2006 Executive Proposed Budget also assumes substantial increases in the cost of diesel and gasoline. The 2006 Executive Proposed Budget also provides Transit with over \$1.8 million to conduct start-up work associated with Sound Transit's Central Link light rail through downtown. Lastly, the 2006 Executive Proposed Budget features a shift in the provision of transit security personnel away from the Seattle Police Department in favor of King County Sheriff personnel. This shift will allow King County to retain 12 deputies that had previously been grant-funded.
- **Road Services Division** strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements with priority given to asset preservation of existing roadways in a cost effective manner. The 2006 Executive Proposed Budget for the Roads Services Division focuses on their core businesses of protecting the current road infrastructure, improving traffic and arterial use efficiencies, and focusing on environmental initiatives. In addition, the 2006 Executive Proposed Budget responds to the \$3.2 million revenue loss due to the anticipated annexations of Klahanie and South Cove by the City of Issaquah.
- **King County International Airport (KCIA)** supports the economic vitality of the County, the National Air Transportation System, and provides safe and continuous general aviation airport services. The 2006 Executive Proposed Budget for KCIA assumes that operations in 2006 will remain essentially the same as for 2005. The budget does not include any re-development assumptions or major changes in operating structure, including the provision of Airport Rescue and Fire Fighting (ARFF) services. In order to keep pace with increased costs of basic operations, KCIA is proposing fee increases consistent with rates and charges at other comparable airports in the area. The Airport is also anticipating increases in lease revenues for non-Boeing leases. However, due to runway repair at the Airport, certain fee revenues will decrease, causing total Airport revenues to drop slightly from 2005. The Airport is anticipating a reversal of this revenue decline in 2007, once runway repairs are complete.
- **Fleet Administration Division** manages the County's non-revenue vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund.

Development and Environmental Services

DEVELOPMENT AND ENVIRONMENTAL SERVICES

Mission

Development and Environmental Services

To serve, educate and protect our community through the implementation of King County's development and environmental regulations.

ISSUES AND PRIORITIES

The Department of Development and Environmental Services (DDES) will complete its sixth consecutive year with a positive fund balance in 2005. All activities related to permitting are entirely self-supporting. Permitting-related activity declined in the years

2000 and 2001, but began to increase in 2002 and 2003. That recovery topped out in 2004 and has now began to plateau. According to industry experts, permitting levels should continue to hold steady through 2006 as long-term interest rates remain at historically low levels. The nature of the recovery within King County has led to a modification in the permit mix. Business plans have been adjusted accordingly. In addition to the overall growth in permits the department has experienced increased activity levels in some business areas as a result of the adoption of new code requirements. These occurred as contractors accelerated permit applications to qualify under the former code. Fluctuations from the new code provisions are not expected to be ongoing and the department has responded to the workload requirements.

With no major change in permit demand forecasted for 2006, the department will be maintaining the position count at 238.5. The department will continue to regulate spending and staffing to the level required by customer demand and business activity.

The Current Expense (CX) Fund will support three areas in DDES in 2006: Fire Investigation; Code Enforcement and Zoning and Grading; and Critical Areas Rural Support. The 2006 budget maintains funding for these services and provides for an additional clerical support position for help in processing the increased backlog of code enforcement cases that has accumulated over the past few years. In accordance with Council-adopted policy, the DDES budget also includes a contingent expenditure authority to address unanticipated levels of permit activities.

The most significant influence on the DDES operations for 2006 is the activity of the building and land development industry. The current economic trend in the micro economy that DDES regulates is one of turbulence and some degree of unpredictability. Each year King County surveys a cross-section of its customers to determine their business plans for the next 18 months. The current survey indicates that there is an expectation that the current growth trend will begin to plateau and hold steady with historically low interest rates in 2006. To be able to respond to changes in the business activity is a key requirement for DDES. To accomplish this the agency continues to invest in systems improvements. The 2006 budget and provides a contingency to cover \$975,000 and 5 positions to address unanticipated increases in demand for services of up to 15%.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Development and Environmental Services 1340/0325

Code/Item Description	Expenditures	FTEs *	TLTs	
Program Area	2005 Adopted	29,846,796	235.50	4.00
PE	Status Quo **	876,690	0.00	(1.00)
	Status Quo Budget	30,723,486	235.50	3.00
Expanded Service Delivery				
PC02	Fire Prevention Education	100,000	0.00	0.00
		100,000	0.00	0.00
Increased Efficiencies				
PC01	Code Enforcement Clerical Support Position	127,768	0.00	1.00
		127,768	0.00	1.00
Technical Adjustment				
TA01	Staff Adjustments	(18,511)	(1.00)	0.00
TA02	Salary and Wage Adjustments	(25,785)	0.00	0.00
TA03	O&M Adjustments	28,086	0.00	0.00
TA04	Increased Department Overtime	46,628	0.00	0.00
TA05	Negotiated Salary Increases for Code Enforcement	36,955	0.00	0.00
TA50	Revenue Adjustment	0	0.00	0.00
CR01	Flexible Benefits	(176,328)	0.00	0.00
CR05	Current Expense Overhead Adjustment	376,619	0.00	0.00
CR06	Healthy Workplace Fund	5,963	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	8,554	0.00	0.00
CR08	Technology Services Infrastructure Charge	(10,523)	0.00	0.00
CR09	Geographic Information Systems Charge	30,586	0.00	0.00
CR11	Telecommunications Services	17,789	0.00	0.00
CR12	Telecommunications Overhead	(3,110)	0.00	0.00
CR13	Motor Pool Usage Charge	(14,158)	0.00	0.00
CR14	Facilities Management Space Charge	(42,612)	0.00	0.00
CR15	Insurance Charges	(203,044)	0.00	0.00
CR16	Radio Access	355	0.00	0.00
CR19	Radio Reserve Program	(165)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(81,680)	0.00	0.00
CR21	Debt Service Adjustment	253	0.00	0.00
CR25	Financial Services Charge	(27,742)	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(19,897)	0.00	0.00
CR39	COLA Adjustment	203,061	0.00	0.00
CR46	Countywide Strategic Technology Projects	13,447	0.00	0.00
		144,741	(1.00)	0.00
2006 Proposed Budget		31,095,995	234.50	4.00
% Change over Adopted		4.19%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

Expanded Service Delivery

Fire Prevention Education – \$100,000. This program supports the Fire Marshal's public education programs in two areas. It provides education to preschool age children in fire and life safety measures such as fire and injury protection and is also a youth fire-setting intervention program. The fire-setting intervention initiative responds to the serious threat produced by youths who set fires, intentionally or unintentionally. The program will serve approximately 150 youths and their families and is scheduled to extend through 2007.

Increased Efficiencies

Code Enforcement Clerical Support Position - \$127,768 / 1.00 TLT. The proposed position will provide clerical support to 12 Code Enforcement Officers. This will improve efficiency in Code Enforcement as it will allow code enforcement officers additional time to process cases. The position will be re-evaluated on an annual basis.

Technical Adjustments

Staff Adjustments – (\$18,511) / (1.00 FTE). This request adjusts the 2006 budget to reflect the elimination of a Technical Information Processing Specialist II, converts the Fire Marshal to a Division Director, and reclassifies a Project/Program Manager II to an HR Service Delivery Manager. The Technical Information Processing Specialist II elimination is possible due to increased efficiencies and is a reduction of \$55,845. Reclassifying the Fire Marshal to a Division Director position requires a budget increase of \$4,321.

Salary and Wage Adjustments and O&M Adjustments – \$2,301. These adjustments reflect reductions to the salary and wage accounts and increases to operations and maintenance accounts to realign the budget to reflect current department operations.

Increased Department Overtime - \$46,628. This request increases overtime, allowing the department more flexibility to respond to spikes in workload without adding personnel.

Negotiated Salary Increases – Code Enforcement - \$36,955. Code Enforcement officers received training in 2005 to perform clearing and grading compliance work that was previously done only by Site Inspectors. This settlement compensates the 12 Code Enforcement Officers for their performance of additional tasks. This expansion of duties will make the enforcement process more efficient as it will no longer be necessary to have both a Site Inspector and a Code Enforcement Officer visit the same site for clearing and grading.

Central Rate Adjustments – \$77,368. A net increase in central rates is reflected in the 2006 proposed budget. Significant reductions occurred in Insurance Charges and Flexible Benefits. Significant increases occurred in the COLA Adjustment and the Current Expense Overhead Adjustment.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Department of Development and Environmental Services (DDES) / 1340

	2004 Actual 1	2005 Adopted	2005 Estimated 2	2006 Proposed	2007 Projected 3	2008 Projected 4
Beginning Fund Balance	5,906,367	5,997,428	9,305,278	7,450,069	6,358,352	5,376,118
Revenues						
Fee Revenue	26,488,065	27,415,174	24,429,471	24,723,315	23,487,149	23,125,872
Other Revenue	1,180,416	1,087,822	969,351	1,083,677	1,083,677	1,083,677
Investment Interest	836,842	250,000	250,000	250,000	500,000	500,000
Operating Contingency	-	975,000	975,000	958,340	958,340	958,340
CX Transfers	2,649,169	2,748,886	2,748,886	2,988,945	2,988,945	2,988,945
Total Revenues	31,154,492	32,476,882	29,372,708	30,004,277	29,018,111	28,656,834
Expenditures						
Salaries and Benefits	(20,307,593)	(21,497,119)	(20,405,577)	(21,913,003)	(20,817,353)	(19,776,485)
Supplies and Contracts	(1,321,399)	(1,476,991)	(1,947,539)	(1,632,109)	(1,632,109)	(1,632,109)
Intragovernmental Services	(5,494,889)	(4,499,124)	(5,932,480)	(4,805,793)	(4,805,793)	(4,805,793)
Capital & Others	(631,700)	(1,398,562)	(1,844,124)	(1,770,090)	(1,770,090)	(1,770,090)
Operating Contingency		(975,000)	(975,000)	(975,000)	(975,000)	(975,000)
Encumbrance Carryover			(123,197)			
Total Expenditures	(27,755,581)	(29,846,796)	(31,227,917)	(31,095,995)	(30,000,345)	(28,959,477)
Estimated Underexpenditures						
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	9,305,278	8,627,514	7,450,069	6,358,352	5,376,118	5,073,475
Reserves & Designations						
Reserve for Staff Reductions		(432,600)	(432,600)	(445,578)	(458,945)	(472,713)
Reserve for Revenue Shortfall		(1,095,891)	(1,095,891)	(1,095,891)	(1,095,891)	(1,095,891)
Reserve for Technology Replacements	(965,241)	(997,500)	(997,500)	(1,047,375)	(1,099,744)	(1,154,731)
Reserve for Fee Waivers & Unanticipated Costs		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Reserve for Encumbrances	(123,197)					
Designations	(2,758,950)					
Total Reserves & Designations	(3,847,388)	(3,525,991)	(3,525,991)	(3,588,844)	(3,654,580)	(3,723,335)
Ending Undesignated Fund Balance	5,457,890	5,101,523	3,924,078	2,769,508	1,721,538	1,350,140
Target Fund Balance 5	1,387,779	1,492,340	1,561,396	1,554,800	1,500,017	1,447,974

Financial Plan Notes:

¹ Actuals are from the 2004 14th month ARMS report.

² Based on trends at 06/30/05 projected to 12/31/05

³ Fee revenue decrease of 5% and decrease of 5% for salary/benefits

⁴ 2008 Fee Revenue 5% increase combined with reduction in activity for overall increase of 1.5%, and 5% decrease in Salaries/Benefits

⁵ Target fund balance is based on 5% of total expenditures.

Natural Resources and Parks

[Link to Natural Resources and Parks Organizational Chart, 12 KB .pdf](#)

NATURAL RESOURCES AND PARKS

Mission

Natural Resources & Parks

To be the steward of the region's environment and strengthen sustainable communities by protecting our water, land and natural habitats, safely disposing of and reusing wastewater and solid waste, and providing natural areas, parks and recreation programs.

ISSUES AND PRIORITIES

The Department of Natural Resources and Parks (DNRP) includes the following organizational units: DNRP Administration, GIS Center, Wastewater Treatment Division, Water and Land Resources Division (multiple appropriation units), Solid Waste Division, and Parks and Recreation Division. The 2006 Executive Proposed Budget for DNRP highlights the Executive's continued commitment to preserving our natural resources.

In addition, the 2006 Executive Proposed Budget for DNRP demonstrates a continued commitment to sound financial management practices. Prudent financial management of the Solid Waste and Noxious Weed Funds mean that the County can delay seeking fee increases by one year – until 2007 for the Noxious Weed Fund and until 2008 for Solid Waste. The Parks Division is continuing to streamline operations by finding ways to minimize its role in providing parks services in urban unincorporated King County by transferring two additional pools – Renton and Evergreen – to a non-profit service provider. Parks is also positioning itself to likely seek renewal in the spring of 2007 of the Parks Levy. The Water and Land Resources Division is adjusting its service mix in response to changing revenues. WLRD will continue to emphasize regional services in 2006. Despite increased costs of basic system inputs, such as polymers, the Wastewater Treatment Division will maintain its service levels with the existing two-year rate in 2006. Lastly, the GIS Center will devote an existing FTE to operate and maintain the Executive's KingStat Performance Measurement Database system.

DNRP Administration

The 2006 Executive Proposed Budget for DNRP Administration implements a reorganization that is designed to enhance and centralize policy development functions that were previously spread throughout the DNRP divisions. The re-organization also features a downsizing of administrative support functions that had previously been provided by DNRP Administration. The reorganization will better position DNRP to address and develop responses to Executive policy priorities, including: Puget Sound clean-up, water and land resource issues, the future of parks funding, solid waste export issues, land acquisitions, rural environmental and economic development programs, the regional water supply plan, the air quality program, the energy/sustainable building program, and the Brightwater/reclaimed water program. The net result of this reorganization is a slight increase of \$204,334 and 0.6FTEs to DNRP Administration's budget.

GIS Center

The GIS Center, organized as a separate internal service fund, provides all County users with a single point of accountability for equitable access to consistent and accurate GIS data and products. It also provides efficient GIS database management, and works to develop a regional GIS system. In addition to working on countywide GIS functions, the GIS Center provides staff support for DNRP and DOT GIS business needs.

The 2006 Executive Proposed Budget for the GIS Center generally reflects a status quo budget with a few technical adjustments to reflect standard realignment of work between cost centers in response to customers' needs. In 2006, GIS will also devote an existing FTE to operate and maintain the Executive's KingStat Performance Measurement Database system.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks & Recreation Division

The Parks and Recreation Division, consistent with its Business Plan, continues to focus on regional/rural parks facilities and programs and works to divest from activities in the Urban Growth Area (UGA) of King County.

The 2006 Executive Proposed Budget relies on several sources of revenue. Due to the successful passage of the four-year Parks Levy in May 2003, \$12.2 million of funding will be derived from property tax revenues, \$4.7 million will be derived from sources such as user fees, advertising, naming rights, sponsorships, concession agreements, donations, grants, and miscellaneous revenues. An additional \$1.3 million will be derived from REET for CIP planning and \$2.4 million will be transferred from the Current Expense (CX) Fund for the operation of local parks, pools and facilities within the unincorporated urban growth areas of the County. The CX Transfer is lower than the 2005 level due to the anticipated Klahanie Annexation and transfers of the Renton and Evergreen pools in 2006. Transferring park facilities will not affect services (they will be performed by other entities), but will allow the division to increase its focus on regional parks and facilities. Parks will continue its entrepreneurial efforts to maximize revenues and actively work to transfer properties within the unincorporated urban growth areas in an effort to reduce the CX Fund contribution to support services in the UGA.

The Parks levy approved by the voters in 2004, which provides funding for regional/rural parks and recreation programs and up to \$300,000 annually for the Community Partnership and Grants (CPG) program, formerly known as the Association Development and Operations Partnerships (ADOPS) program, ends in 2007. Parks is in the early stages of planning for King County Parks Division activities after 2007, and anticipates developing initial options in conjunction with the King County Executive's Office. These are likely to include options for refining the role of the county parks system as well as revenue alternatives, including another levy proposal. There is a strong likelihood that a new levy proposal will go before the voters in the spring of 2007. This means that planning will intensify the remainder of 2005 and throughout 2006. Planning for the eventuality of no new revenue source in 2008 (e.g., if a new levy were to fail) will be part of any planning.

Parks also anticipates working with cities and stakeholder groups in planning for the county role in parks after 2007. While the role of the county parks system post 2007 is unclear at this time due to funding constraints, the division anticipates that the outcome of planning efforts will recommend some type of continuation in the themes expressed in the division's business transition plan. This includes a continued focus on regional programs (particularly regionally important trails and ecological lands), and a continued emphasis on increasing business revenues (user fees, entrepreneurial efforts), minimizing the need for government or taxpayer subsidies, and further narrowing of any focus on local programs or activities, given future annexations and incorporations.

Solid Waste Division

The division continues its mission of maximizing ratepayer value by ensuring the citizens of King County have access to efficient and reliable regional solid waste handling and disposal services at rates as low as reasonably possible, consistent with sound environmental stewardship of regional resources.

The primary dynamic driving the Solid Waste Division in 2006 is the implementation of business efficiencies detailed in the Solid Waste Business Plan. The efficiencies are intended to make the division's services and programs more cost effective, while ensuring that rates remain low and stable over time. Solid Waste originally planned to seek a fee increase for 2007. Sound financial management practices mean that Solid Waste can maintain a stable tipping fee of \$82.50 per ton until 2008. In the 2006 budget, SWD is seeking a fee increase for the Local Hazardous Waste Management Program

PHYSICAL ENVIRONMENT PROGRAM PLAN

(LHWMP). Revenue will be collected at solid waste disposal sites and passed through 100% to the LHWMP.

Wastewater Treatment Division

The Wastewater Treatment Division (WTD) protects water quality and prevents water pollution by providing wastewater treatment for 17 cities and 17 local sewer utilities. The county's Wastewater Treatment Division serves about 1.4 million people, including most urban areas of King County and parts of south Snohomish County and northeast Pierce County. The 2006 Executive Proposed Budget for WTD reflects the results of sound financial management practices.

King County adopted the same sewer rate and capacity charge for 2006 as were in place for 2005 - \$25.60 and \$34.05 respectively. In setting the 2005 rates King County established a rate stabilization reserve to carry operating revenues from 2005 to future years. It is estimated that \$14.5 million will be placed in this reserve during 2005 and that \$7.25 million will be used in 2006. The 2006 sewer rate and capacity charge were set along with the amounts from the rate stabilization reserve to generate operating revenue sufficient to meet the minimum required debt service coverage ratios allowed under the WTD's adopted financial policies.

In 2005, the intent to maintain a stable two-year sewer rate and a three year capacity charge presented an excellent opportunity for the county to explore the use of biennial budgeting for the 2005 - 2006 biennium. DNRP and WTD volunteered to undertake a pilot biennial budget process. While not resulting in an adopted biennial budget, the division followed the same steps involved in developing and implementing a biennial budget and then used the 2006 budget as the target for a 2006 budget process. Even so, due to unanticipated central rate increases and reserves for labor contracts, WTD's 2006 Executive Proposed Budget is \$970,000 over the anticipated 2006 biennial budget target.

WTD provided an excellent opportunity to pilot the process because they offer an agency that is sufficiently complex to provide meaningful conclusions while at the same time minimizing some of the obstacles that typically impact biennial processes. For example, the intent to maintain a stable two-year sewer rate gave the agency a much better handle on revenue forecasting. In addition, WTD offers skilled staff resources that are capable of implementing the transition. It is expected that obstacles encountered by WTD will be greater challenges to some of the other county agencies if biennial budgeting is expanded.

After adoption of the 2006 budget, the results of the pilot biennial budget process will be evaluated. If it is determined to move forward on the next steps of further implementing the biennial budget process, a transition plan will be developed, including any system changes that have been identified, so that the county will be able to convert to a biennial budget process if conversion is approved by the County Executive and the County Council.

Water and Land Resources Division

The Water and Land Resources Division (WLRD) 2006 Executive Proposed Budget features a number of changes as a result of priorities identified in its business plan and through a series of change dynamics influencing WLRD operations.

First, the 2006 Executive Proposed Budget features a major financial reorganization of two WLRD funds – the Surface Water Management (SWM) Fund and the Rural Drainage Program Fund. The goal of this reorganization is to better align resources along regional and local service areas. The reorganization shifts staff and resources providing local services that are supported by the SWM fee to a dedicated fund now referred to as the Surface Water Management (SWM) Local Drainage Services Fund. Meanwhile, the former Surface Water Management Fund, now called the Shared Services Fund, will be solely dedicated to regional services. While this reorganization includes no reductions to expenditures or staff, it does shift 112.4 FTEs from the former Surface Water Management Fund to the new SWM Local Drainage Services Fund. The reorganization also provides WLRD with an opportunity to implement a more equitable system for recovering internal overhead costs from the vari-

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ous funds it manages.

Second, the 2006 Executive Proposed Budget for WLRD responds to a number of anticipated changes in several major revenue sources, including: the anticipated annexations of Klahanie and South Cove, reductions in the Waste Water Treatment rate transfers, the King Conservation District (KCD) fee sunset, and the Water Resources Inventory Areas (WRIA) interlocal agreement (ILA) terminations. While two of these revenue sources – the KCD fee and the WRIA ILAs – are currently under review for renewal and are considered as add-back packages to the 2006 Executive Proposed Budget, WLRD's 2006 Proposed Budget features a number of service adjustments in response to the change of revenues. WLRD, based on its business plan, emphasizes funding for regional salmon conservation and watershed management for its funding priorities in the 2006 Executive Proposed Budget.

Third, the 2006 Executive Proposed Budget for WLRD features efforts to preserve funding for a number of programs critical to King County.

- *Critical Areas Ordinance (CAO):* The 2006 Executive Proposed Budget highlights the Executive's continued commitment to providing resources needed to support implementation of the CAO. As the table below demonstrates, funding for the CAO is either maintained or increased in the 2006 Executive Proposed Budget. The amount of CX resources devoted to CAO implementation increases from \$218,296 in 2005 to \$227,742 in 2006.

Program	2005 Adopted			2006 Proposed		
	FTE	TLT	Amount	FTE	TLT	Amount
Public Benefit Rating System - Current Use Taxation *	2.00		\$ 151,548	2.00		\$ 170,472
Agriculture**	4.00		\$ 588,698	4.33		\$ 479,435
Forestry	2.00		\$ 162,159	2.00		\$ 165,285
Watershed - Ecology	2.27		\$ 226,391	2.59		\$ 237,625
Groundwater & Hydrology	0.25		\$ 24,150	1.19		\$ 112,278
Regulation & Compliance	0.25		\$ 26,474	0.25		\$ 27,092
Customer & Tech Services	0.83		\$ 80,966	1.50		\$ 131,211
Basin Stewardship and Community Outreach & Grants	2.00	0.50	\$ 228,805	3.05		\$ 312,810
WLRD Total CAO Support	13.60	0.50	\$ 1,489,191	16.91	-	\$ 1,636,208

* The 2005 Adopted budget included 2 technical errors for PBRS support (.5 TLT that should have been .5 FTE and a \$43,990 miscalculation of salary). These are corrected in the 2005 Adopted side of the comparison and in the 2006 Proposed budget, with 2.0 FTEs (no TLTs) and a decrease of \$43,990 appropriation.

** In 2005, the CAO-related Farm Plans Program (\$250,000) is funded with Surface Water Management fees. WLRD is leaving this program unfunded in their 2006 budget, because KCD has suggested that they will pay for this program if the KCD fee is renewed at \$10/parcel.

In addition, DDES provides CAO support through their CAO Outreach program, with 2.0 FTEs in 2005 and 2006, with an increase of funding from \$293,000 in 2005 to \$334,000 in 2006.

- *Culver/WaterWorks Block Grants:* The 2006 Executive Proposed Budget dedicates \$1,387,659 in Wastewater rate revenues for the Culver/WaterWorks Block Grant program. Of the total revenue available in 2006, the Executive Proposed Budget allocates \$180,604 for WaterWorks grant administration costs; \$300,000 for EarthCorps; and \$235,847 for WSU Cooperative Extension pro-

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gram costs. This leaves \$671,208 in Culver funds unprogrammed for the King County Council to allocate.

- *King Conservation District (KCD)*: The current KCD assessment of \$5 per parcel sunsets at the end of 2005. Currently, the Executive, Council, KCD, and other participating jurisdictions are in discussions about renewing the KCD assessment at \$10 per parcel. The 2006 Executive Proposed Budget assumes that the KCD assessment will be renewed at \$10 per parcel and that the revenue will be allocated by the KCD following a \$6 (for the WRIA Forums) – \$2 (for the KCD) – \$2 (for the participating jurisdictions) plan. Under this scenario, the 2006 Executive Proposed Budget assumes the following programs will be funded in 2006: contract work for WRIA 7, .66 FTE for CAO science support, rural agriculture programs, and Puget Sound Fresh. In addition, the 2006 Executive Proposed Budget assumes that KCD will provide \$250,000 in direct KCD funding for Farm Program Plans in support of the CAO.

Finally, sound financial management practices have allowed WLRD's Noxious Weed program to delay seeking a fee increase until 2007.

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Natural Resources and Parks Administration 4040/0381

Code/Item Description	Expenditures	FTEs *	TLTs
Program Area			
PE	2005 Adopted 4,509,975	29.00	2.00
	Status Quo ** 132,245	0.00	0.00
	Status Quo Budget 4,642,220	29.00	2.00
Enhance Policy Support			
AS01 Reduce and Transfer Research Library to WLRD	(132,270)	(1.00)	0.00
AS02 Administrative Reductions Recommended by Business Plan	(813,673)	(8.00)	0.00
TA01 Reduce & Transfer Water Policy Unit to DNR Admin	238,150	2.00	0.00
TA02 Transfer Two FTEs to DNR Admin	186,669	1.60	0.00
TA03 New Positions Recommended by Business Plan	617,858	6.00	0.00
TA06 Increased Transfer to Other Agencies for HR Services	57,600	0.00	0.00
TA07 Programming Constituent Relationship Management System	50,000	0.00	0.00
	204,334	0.60	0.00
Technical Adjustment			
TA04 Technical Adjustments	122,759	0.00	0.00
TA50 Revenue Adjustment	0	0.00	0.00
CR01 Flexible Benefits	(23,808)	0.00	0.00
CR05 Current Expense Overhead Adjustment	(42,584)	0.00	0.00
CR06 Healthy Workplace Fund	790	0.00	0.00
CR08 Technology Services Infrastructure Charge	(1,682)	0.00	0.00
CR09 Geographic Information Systems Charge	19,078	0.00	0.00
CR11 Telecommunications Services	(1,899)	0.00	0.00
CR12 Telecommunications Overhead	(3,484)	0.00	0.00
CR13 Motor Pool Usage Charge	(3,297)	0.00	0.00
CR16 Radio Access	44	0.00	0.00
CR19 Radio Reserve Program	(13)	0.00	0.00
CR20 Prosecuting Attorney Civil Division Charge	(56,813)	0.00	0.00
CR22 Long Term Leases	(58,696)	0.00	0.00
CR25 Financial Services Charge	(3,763)	0.00	0.00
CR27 Industrial Insurance Rate Adj.	(986)	0.00	0.00
CR36 Property Services Lease Administration Fee	4,959	0.00	0.00
CR39 COLA Adjustment	33,911	0.00	0.00
CR46 Countywide Strategic Technology Projects	1,741	0.00	0.00
	(13,743)	0.00	0.00
2006 Proposed Budget	4,832,811	29.60	2.00
% Change over Adopted	7.16%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

DNRP Administration

The 2006 Executive Proposed Budget for DNRP Administration implements a reorganization that was recommended through a self-initiated business planning process. As part of this process, DNRP did an internal review of its operations and conducted interviews of key stakeholders. Through this process, DNRP identified the need to enhance and centralize policy development functions that were previously spread throughout the DNRP divisions. In addition, it became apparent that DNRP Administration could streamline and downsize its administrative support functions by relying more heavily on division resources to perform some of the work. The reorganization will better position DNRP Administration to address and develop responses to Executive policy priorities. These policy priorities include: Puget Sound clean up, Water and Land Resources issues, the future of Parks, Solid Waste export issues, land acquisition, rural environmental and economic development programs and funding, the regional water supply plan, the air quality program, the energy/sustainable building program, and the Brightwater/reclaimed water program. The reorganization's net result on the DNRP Administration budget is an increase of \$204,334 and 0.6 FTEs. However, since many of the "new" positions proposed by the business plan were previously budgeted in other DNRP appropriation units, the net effect of the reorganization is a reduction of 2.9 FTE.

Enhance Policy Support

To better position DNRP to address and develop responses to Executive policy priorities the DNRP Administration reorganization makes the following changes:

Reduce and Transfer Research Library to WLRD -- (\$132,270) and (1.00) FTE. This adjustment transfers the Technical Document Research Center (TDRC) to the Water and Land Resources Division, the primary user of the TDRC. WLRD and WTD will jointly fund this service with reduced staffing and publications.

Administrative Reductions Recommended by Business Plan -- (\$813,673) and (8.00) FTEs. This proposal supports DNRP Administration's Business Plan recommendation to reduce administrative service levels and staffing in favor of increasing the capacity of DNRP Admin staff to perform regional environmental policy development. Eight positions, which are all administrative in nature, are being eliminated to create space for policy-oriented positions in DNRP Administration. The eight positions are: Administrator II, Marketing and Sales Specialist V, Business and Finance Officer IV, Project/Program Manager III, Employee and Labor Relations Specialist, Administrator IV, Human Resource Analyst and Assistant IT Manager.

Transfer Water Policy Unit to DNRP Admin -- \$238,150 and 2.00 FTEs. This proposed budget adjustment supports DNRP Administration's Business Plan recommendation to centralize the capacity of DNRP staff to work on policy initiatives, including Department-wide water policy issues. Two positions, a Special Projects Manager 3 and a Government Relations Administrator, are being transferred from WTD into DNRP Admin to act as Water Policy Unit staff.

Transfer Two FTEs to DNRP Admin -- \$186,669 and 1.60 FTEs. This proposed budget adjustment supports DNRP Administration's Business Plan recommendation to increase the capacity of DNRP Admin staff to work on policy initiatives by transferring a Master Applications Developer and Tribal Liaison from the Wastewater Treatment Division to DNRP Administration, reducing the Tribal Liaison from a full FTE to 0.6 FTE.

New Positions Recommended by Business Plan -- \$617,858 and 6.00 FTEs. This proposed budget adjustment supports DNRP Administration's Business Plan recommendation to increase the capacity of DNRP Admin staff to work on policy initiatives by creating six new policy positions. The six pol-

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icy positions are: Marketing & Sales Specialist IV, HRSDM 1 (labor relations), two Government Relations Officers, Project/Program Manager IV, and a Master Applications Developer.

Increased Transfer to Other Agencies for HR Services -- \$57,600. This proposed budget adjustment supports DNRP Administration's Business Plan recommendation to centralize the capacity of DNRP Admin staff to work on policy initiatives. As part of this shift, DNRP Administration is reducing its internal human resources and fiscal support positions in favor of using resources in the Solid Waste and Wastewater Treatment Divisions on a reimbursable basis.

Consulting for Constituent Relationship Management System -- \$50,000. This proposed budget adjustment will allow DNRP Administration to hire a consultant to complete the configuration of the Microsoft CRM software that was acquired and installed in 2005. This will create a Constituent Relationship Management System that will allow DNRP Administration to standardize and centralize the way in which the department manages data about constituent contacts.

Technical Adjustments

Technical Adjustments -- \$122,759. This proposed budget adjustment shifts the cost of certain office space in the King Street Center to the Parks Division, enhances federal lobbying capabilities, and makes other technical adjustments to the 2006 Proposed Budget.

Central Rate Adjustments -- (\$136,502). The 17 central rates applicable to DNRP Administration include reductions and increases that net to a reduction of \$136,502. Central rate adjustments include: CX Overhead, ITS Infrastructure, Telecommunications Services and O&M, Motor Pool, Finance, PAO, Long Term Lease and Administration Fee, OIRM, Industrial Insurance, Radio Equipment and Service, GIS O&M, Healthy Workplace Fund, COLA, and Flex Benefits.

PHYSICAL ENVIRONMENT PROGRAM PLAN**Geographic Information Systems 5481M/3180M**

Code/Item Description		Expenditures	FTEs *	TLTs	
Program Area		2005 Adopted	3,531,863	31.00	0.00
PE		Status Quo **	242,793	0.00	0.00
		Status Quo Budget	3,774,656	31.00	0.00
Technical Adjustment					
TA01	Technical Adjustments	(56,640)	0.00		0.00
TA50	Revenue Adjustments	0	0.00		0.00
CR01	Flexible Benefits	(23,064)	0.00		0.00
CR05	Current Expense Overhead Adjustment	2,290	0.00		0.00
CR06	Healthy Workplace Fund	775	0.00		0.00
CR07	Technology Services Operations & Maintenance Charge	188	0.00		0.00
CR08	Technology Services Infrastructure Charge	(576)	0.00		0.00
CR11	Telecommunications Services	(684)	0.00		0.00
CR12	Telecommunications Overhead	(1,217)	0.00		0.00
CR13	Motor Pool Usage Charge	4	0.00		0.00
CR22	Long Term Leases	19,833	0.00		0.00
CR25	Financial Services Charge	(12,389)	0.00		0.00
CR27	Industrial Insurance Rate Adj.	(926)	0.00		0.00
CR36	Property Services Lease Administration Fee	428	0.00		0.00
CR39	COLA Adjustment	26,053	0.00		0.00
CR46	Countywide Strategic Technology Projects	1,741	0.00		0.00
		(44,184)	0.00		0.00
2006 Proposed Budget		3,730,472	31.00		0.00
% Change over Adopted		5.62%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Geographic Information Systems (GIS)

The GIS 2006 Proposed Budget generally reflects a status quo budget with a few technical adjustments to reflect standard realignments of work between cost centers in response to customers' needs. In 2006 GIS will also devote an existing FTE to operate and maintain the Executive's KingStat Performance Measure Database System.

Technical Adjustments

Technical Adjustments -- (\$56,640). This proposed budget adjustment supports the transfers of various positions between cost centers and makes changes to some costs center allocations for various accounts to reflect the DNRP Admin reorganization, class comp payouts, a reduction in wage contingency, and a GIS capital project arbitrage debt payment.

Central Rate Adjustments -- \$12,456. The 14 central rates applicable to GIS include reductions and increases that net to an increase of \$12,456. Central rate adjustments include: Telecommunications Services and O&M, OIRM, ITS Infrastructure and O&M, CX Overhead, Finance, Long Term Leases and Lease Administration Fee, COLA, Flex Benefits, Industrial Insurance, Healthy Workplace Fund and Motor Pool.

King County GIS Center - Fund 5481M / Dept 3180M

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	691,605	652,982	352,357	321,600	405,840	468,947
Revenues						
Central Rates Charged to Other Funds & Agencies	2,702,797	3,424,440	3,050,281	3,720,955	3,811,978	3,926,337
Central Rates Charged for GIS Equipment Reserve	25,000	25,000	25,000	30,000	35,000	40,000
Rates Charged for Training Room Rent	15,014	7,800	12,600	7,800	7,800	7,800
Total Revenues	2,742,811	3,457,240	3,087,881	3,758,755	3,854,778	3,974,137
Expenditures						
GIS Center Operating Costs & Overhead	(3,082,059)	(3,531,863)	(3,150,139)	(3,684,866)	(3,795,412)	(3,909,274)
Equipment replacement from fund reserve				(25,000)	(54,000)	(60,000)
GIS Cap Project Arbitrage Debt Payment				(20,606)		
Total Expenditures	(3,082,059)	(3,531,863)	(3,150,139)	(3,730,472)	(3,849,412)	(3,969,274)
Estimated Underexpenditures ⁵		17,659	31,501	55,957	57,741	59,539
Other Fund Transactions						
Adjustment IBIS Equipment						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	352,357	596,018	321,600	405,840	468,947	533,349
Reserves & Designations						
GIS Equipment Reserve ⁶	(75,000)	(100,000)	(100,000)	(105,000)	(86,000)	(66,000)
Training Room Equipment Reserve ⁷	(15,014)	(17,920)	(27,614)	(35,414)	(43,214)	(51,014)
Prepaid Client Services	(72,974)					
Total Reserves & Designations	(162,988)	(117,920)	(127,614)	(140,414)	(129,214)	(117,014)
Ending Undesignated Fund Balance	189,369	478,098	193,986	265,426	339,733	416,335
Target Fund Balance ⁴	308,206	353,186	315,014	373,047	384,941	396,927

Financial Plan Notes:

¹ 2004 Actuals are based on 2004 CAFR

² 2005 Estimated is projected from current actuals through May 2005. 2005 estimated expenditures include \$72,974 for client services work prepaid in 2002-4.

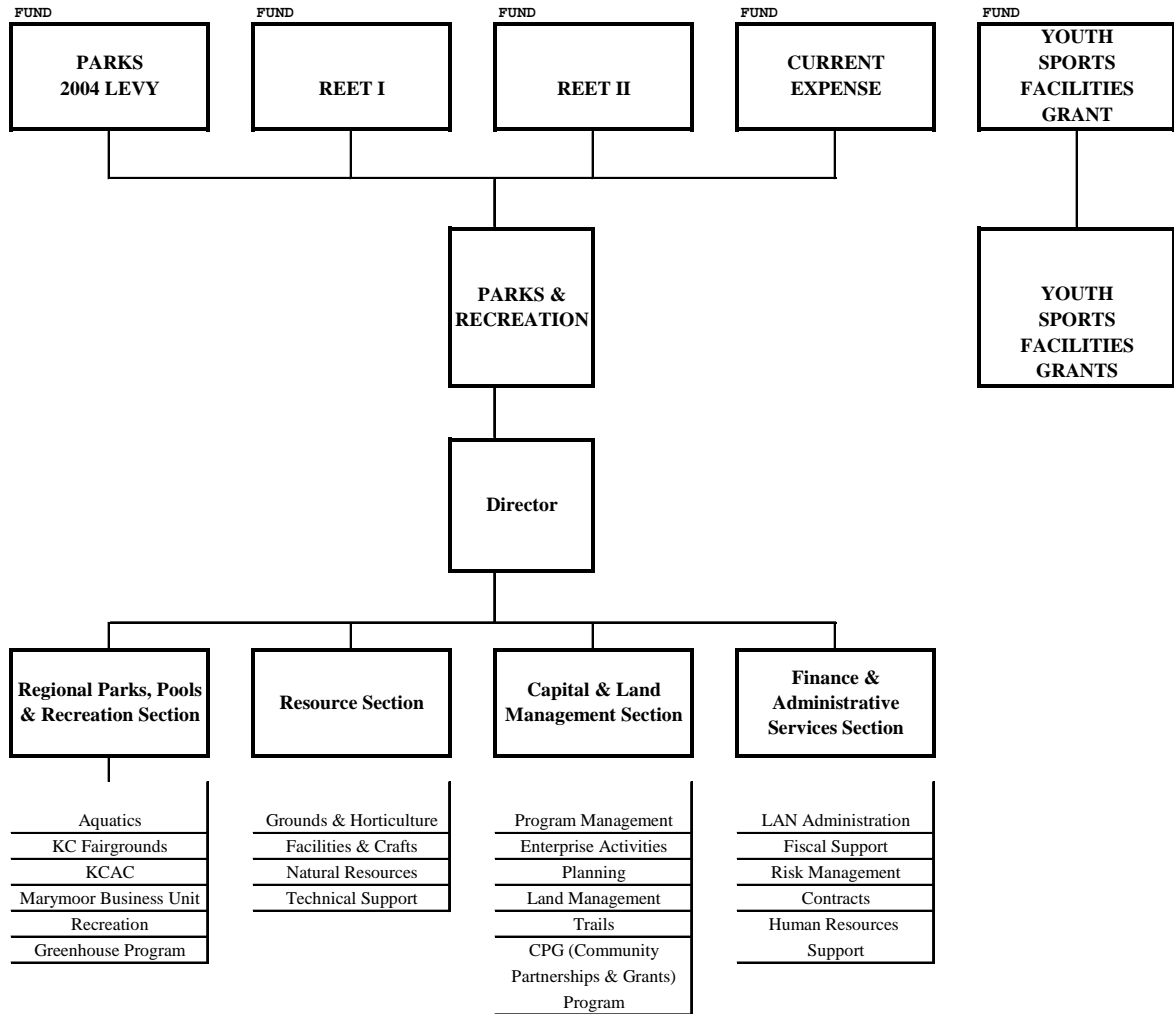
³ 2007 and 2008 Projected are based on 3% annual growth in expenditures and revenues, plus additional \$5,000 increase in revenue each year for equipment replacement reserve.

⁴ Target fund balance is based on 10% of total budgeted expenditures.

⁵ Underexpenditure is based on 0.5% (2005), 1.5% (2006-2008) of Total Expenditures.

⁶ Equipment Reserve established to fund replacement of core GIS data servers to ensure effective on-going operation. Annual reserve allocation increased in 2006, based on OIRM based analysis.

PHYSICAL ENVIRONMENT PROGRAM PLAN



PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks and Recreation 1451/0640

Code/Item Description	Expenditures	FTEs *	TLTs	
Program Area	2005 Adopted	20,534,400	155.01	1.00
PE	Status Quo **	817,127	0.00	(1.00)
	Status Quo Budget	21,351,527	155.01	0.00
Encourage Partnerships				
TA02	Capital & Land Management	279,017	0.00	0.00
		279,017	0.00	0.00
Limit Local Role				
PC01	Minor Section Reorganization	12	0.00	0.00
		12	0.00	0.00
Stewardship of Regional Park Assets				
TA01	Director's Office/Finance & Admin Services	7,385	1.00	0.00
TA03	Parks Resource Management	162,549	(1.00)	0.00
TA04	Regional Parks, Pools & Recreation	144,683	0.30	0.00
		314,617	0.30	0.00
Technical Adjustment				
CR01	Flexible Benefits	(112,654)	0.00	0.00
CR05	Current Expense Overhead Adjustment	43,282	0.00	0.00
CR06	Healthy Workplace Fund	3,752	0.00	0.00
CR08	Technology Services Infrastructure Charge	(12,422)	0.00	0.00
CR09	Geographic Information Systems Charge	5,782	0.00	0.00
CR11	Telecommunications Services	(12,724)	0.00	0.00
CR12	Telecommunications Overhead	4,092	0.00	0.00
CR13	Motor Pool Usage Charge	34,073	0.00	0.00
CR15	Insurance Charges	(398,399)	0.00	0.00
CR16	Radio Access	59	0.00	0.00
CR18	Radio Direct Charges	5,000	0.00	0.00
CR19	Radio Reserve Program	(30)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	65,369	0.00	0.00
CR22	Long Term Leases	19,668	0.00	0.00
CR25	Financial Services Charge	(29,578)	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(27,449)	0.00	0.00
CR28	Equipment Repair and Replacement	1,634	0.00	0.00
CR29	Wastewater Vehicles	6,450	0.00	0.00
CR36	Property Services Lease Administration Fee	383	0.00	0.00
CR39	COLA Adjustment	88,432	0.00	0.00
CR40	Merit Adjustment	(4,475)	0.00	0.00
		(319,755)	0.00	0.00
Transfer of Urban Park Assets				
DS02	UGA Pool Transfers	(789,396)	(5.25)	0.00
DS15	Klahanie Annexation	(47,686)	0.00	0.00
		(837,082)	(5.25)	0.00
2006 Proposed Budget				
		20,788,336	150.06	0.00
% Change over Adopted				
		1.24%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

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Parks and Recreation Division (Levy Fund)

The Parks operating budget continues to be driven by the division's business plan and parks levy financial plan, which emphasize maximizing business revenues, focusing on regional facilities and programs, and transferring local facilities. As a result, the 2006 Executive Proposed Budget includes \$48,000 in expenditure savings due to the Klahanie Annexation and \$789,000 in expenditure savings due to the transfer of two pools in the urban growth area, which, together, reduce the Current Expense Fund Transfer \$396,000. The current Parks Levy expires at the end of 2007. Parks is beginning its efforts to evaluate options for continuing the Parks Levy beyond 2007.

Encourage Partnerships

The county will encourage and pursue partnerships that increase recreational activities in our park system.

Capital and Land Management - \$279,017. This proposal adjusts costs associated with providing land management services for capital acquisitions, trails coordination, property management, inventory of properties, land use planning and small capital projects development, management and oversight. REET provides the majority of funding for the Capital and Land Management Office. This proposal also includes an additional \$300,000 (one-time) for the Community Partnerships and Grants (CPG) program, formerly known as the Association Development and Operations Partnerships (ADOPS) program. This will allow the CPG program to spend the \$300,000 budgeted but not expended in 2004. The \$300,000 is backed by Levy funds.

Limit Local Role

The county's local park and recreational role will be limited, and will become increasingly focused on rural areas where there is no existing or anticipated alternative service provider.

Minor Section Reorganization - \$12. In preparation for the 2008 Parks Levy, Parks has analyzed 2004 Actual Expenditures and Revenues. As a result, Parks has taken proactive steps to appropriately realign UGA and Regional costs in the proposed budget. This was to be a net \$0 adjustment but resulted in a \$12 adjustment.

Stewardship of Regional Assets

The County places primary importance on continuing its role in the stewardship of regional parks assets, including regional parks, regional recreation facilities, regional natural lands, and regional trails.

Director's Office/Finance and Administrative Services - \$7,385 and 1.00 FTE. This proposal adjusts expenditures and revenues associated with division management and administration. The FTE (a Business and Finance Officer) will provide much needed budget and fiscal support.

Parks Resource Management - \$162,549 and (1.00) FTE. This proposal adjusts utilities, staffing and ecological/land/trails maintenance in the Resource Management Section.

Regional Parks, Pools and Recreation - \$144,683 and .30 FTE. This proposal adjusts utilities, supplies and parking enforcement in the Regional Parks, Pools and Recreation Section. Parks proposes reducing two full-time Administrative Specialist positions as part of reductions made to the Fairgrounds and the PONS file reconciliation as well as reducing extra help and adding a full-time position to handle parking enforcement.

Technical Adjustment

Central Rate Adjustments – (\$319,755). Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Fund, Technology Services Infrastructure, Geographic Information Systems, Telecommunications Services, Telecommunications Overhead, Motor Pool Us-

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age, Insurance, Radio Access, Radio Direct Charges, Radio Reserve Program, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services, Financial Management Services Rebate, Industrial Insurance, Equipment Repair and Replacement, Wastewater Vehicles, Property Services Lease Admin Fee, COLA, and Merit.

Transfer of Urban Park Assets

The county will work to transfer urban park assets within the urban growth area to cities as annexations occur, and where possible, prior to annexation.

UGA Pools Transfers – (\$789,396) and (5.25) FTEs. This reduction anticipates the transfer of the Renton and Evergreen Pools to the Northwest Center in January and April of 2006, respectively, and results in a savings to CX of \$362,000.

Klahanie Annexation – (\$47,686). This proposal includes a reduction in expenditures associated with the transfer of facilities in the Klahanie annexation area (Klahanie, Meerwood, Sammamish Cove, and Timberlake Parks) and results in a savings to CX of \$41,000.

2006 Parks and Recreation Division Proposed Financial Plan (Levy Fund 1451)

	2004 Actual ^{1,12}	2005 Adopted	2005 Estimated	2006 Proposed	2007 Projected ¹	2008 Projected ¹
Beginning Fund Balance	0	1,272,331	1,726,378	1,757,361	2,002,607	2,271,426
Revenues						
* Levy Proceeds ²	11,249,663	11,641,836	11,650,367	12,029,005	12,389,867	12,442,956
* Delinquent Levy Collections ³		120,793	120,793	164,772	202,268	208,786
* Interest ⁴	26,353	14,191	21,817	34,646	50,677	53,946
* Regional/Rural Business Revenues ⁵	3,287,018	3,953,612	3,506,835	4,386,839	4,606,181	4,836,490
* UGA Business Revenues ⁵	968,418	697,693	614,021	244,516	212,379	222,998
* CX Transfer ⁶	2,974,640	2,696,803	2,696,803	2,435,683	2,557,467	2,557,467
* CIP ⁷	1,154,341	1,289,070	1,281,467	1,322,354	1,388,472	1,457,895
* Homeland Security Grant		185,329	185,329			
Total Revenues	19,660,432	20,599,327	20,077,432	20,617,815	21,407,311	21,780,538
Expenditures						
* Regional/Rural Levy-derived Expenditures ^{8,13,14}	(9,549,638)	(11,356,856)	(11,789,431)	(11,749,237)	(12,453,199)	(13,192,359)
* Regional/Rural Expenditures (Business Revenue-derived) ⁸	(3,287,018)	(3,953,612)	(3,506,835)	(4,386,839)	(4,606,181)	(4,836,490)
* Urban Growth Area Expenditures (Business Revenue-derived) ⁸	(968,418)	(697,693)	(614,021)	(244,516)	(212,379)	(222,998)
* Urban Growth Area Expenditures (CX-derived) ⁶	(2,974,640)	(2,751,840)	(2,751,840)	(2,485,390)	(2,609,660)	(2,609,660)
* CIP/Land Management Expenditures ⁷	(1,154,341)	(1,289,070)	(1,281,467)	(1,322,354)	(1,388,472)	(1,457,895)
* ADOPS (now CPG) Expenditures ⁹		(300,000)	(300,000)	(600,000)	(300,000)	(300,000)
* Homeland Security Grant Expenditures		(185,329)	(185,329)	0		
* Encumbrance Carryover			(26,637)			
Total Expenditures	(17,934,054)	(20,534,400)	(20,455,560)	(20,788,336)	(21,569,890)	(22,619,402)
Estimated Underexpenditures ¹⁰		410,688	409,111	415,767	431,398	452,388
Other Fund Transactions						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	1,726,378	1,747,946	1,757,361	2,002,607	2,271,426	1,884,950
Less: Reserves & Designations						
* Encumbrance Carryover	(26,637)					
* 2004 Unexpended ADOPS (now CPG) ⁹			(300,000)			
Total Reserves & Designations	(26,637)	0	(300,000)	0	0	0
Ending Undesignated Fund Balance	1,699,741	1,747,946	1,457,361	2,002,607	2,271,426	1,884,950
Target Fund Balance ¹¹	1,494,505	1,695,756	1,689,186	1,732,361	1,797,491	1,884,950

Financial Plan Notes:

¹ Parks 2004 Levy Subfund was a new fund in 2004. The voter-approved levy is for four years, ending in 2007.

² Levy Proceeds revised through 2007 by OMB August 2005. 2008 Projected revenues allow Parks to meet their Target Fund Balance. Because the current Parks levy expires in 2007 a new revenue source will be required in order to maintain park programs. Such a revenue source could be a renewal of the current voter-approved Parks levy or an alternative source yet to be determined.

³ Delinquent Levy Collections revised through 2008 by OMB August 2005.

⁴ Interest Earnings based on an interest rate of 3.225% in 2005 Adopted, 3.2% in 2005 Estimated, 4.1% in 2006, 4.75% in 2007 and 4.95% in 2008, with a 20 basis point investment service fee deducted. Based on monthly cash flow analysis.

⁵ Growth rate of 5% for UGA and Regional/Rural Business Revenues in 2007 and 2008. 2006 UGA business revenue reduction due to anticipated Klahanie Annexation in 2006 and transfer of UGA pools (assumed to be 100% complete by 2007).

⁶ 2006 UGA CX-derived Expenditures include reductions due to anticipated Klahanie Annexation and transfers of Evergreen and Renton pools to Northwest Center. Growth rate of 5% for CX Transfer Revenue and Urban Growth Area CX-derived Expenditures in 2007. No growth reflected for 2008. The CX Transfer is used to cover costs in the Urban Growth Area (UGA) per financial plan approved by King County Council in adopting levy ordinance 14586.

PHYSICAL ENVIRONMENT PROGRAM PLAN

⁷ Transfers from Fund 3160 and 3490 (backed by REET 1 & 2) to support Capital & Land Management. 2007 and 2008 assume inflation of 5%. Note that CIP/Land Management Expenditures include some portion of UGA expenditures. These are not backed by CX funds or business revenues and are not included in the UGA Business Revenue-derived or UGA CX-derived Expenditures.

⁸ Regional/Rural Levy-derived, Regional/Rural Business Revenue-derived, and Urban Growth Area Business Revenue-derived Expenditures inflated 5% in 2007 and 2008.

⁹ Partially funds Community Partnerships and Grants (CPG) program, formerly Association Development Operations Partnerships (ADOPS) program. Additional funds are in Parks CIP. Funds designated for ADOPS (now CPG) that were not spent for ADOPS in 2004 are identified for potential programming in 2006. The division intends to reprogram any ADOPS (now CPG) funds not expended in 2005 to CPG activities in the future.

¹⁰ Estimated Underexpenditures 2% of Total Expenditures. Estimated Underexpenditures include 2% Underexpenditure required for UGA Expenditures funded by CX Transfer.

¹¹ Target Fund Balance is 1/12th of Total Expenditures (excluding Homeland Security Grant Expenditures).

¹² 2004 Actuals are per the 2004 CAFR. Regional/Rural and UGA categories are tracked by the Parks Division.

¹³ The voter-approved levy is for four years, ending in 2007. In order to maintain park programs, beginning in 2008, a new revenue source will be required to support Regional/Rural Levy-derived Expenditures. Such a revenue source could be a renewal of the current voter-approved Parks levy or an alternative source yet to be determined.

¹⁴ Regional/Rural Levy-derived Expenditures include an additional \$116,500 in 2006 and 2007, per financial plan approved by King County Council in adopting levy ordinance 14586 (assumes 5 additional trail miles at management cost of \$6,300/mile and 1000 additional natural lands acres at \$85/acre). Same methodology followed for 2008.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Youth Sports Facilities Grant 1290/0355

Code/Item Description		Expenditures	FTEs *	TLTs	
Program Area		2005 Adopted	934,490	1.00	0.00
PE		Status Quo **	107,681	0.00	0.00
Status Quo Budget		1,042,171	1.00	0.00	
Technical Adjustment					
TA02	Technical Adjustments	21,535	0.00	0.00	
CR01	Flexible Benefits	(744)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	1,472	0.00	0.00	
CR06	Healthy Workplace Fund	25	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(40)	0.00	0.00	
CR25	Financial Services Charge	(3,794)	0.00	0.00	
CR27	Industrial Insurance Rate Adj.	(32)	0.00	0.00	
CR39	COLA Adjustment	836	0.00	0.00	
CR46	Countywide Strategic Technology Projects	56	0.00	0.00	
		19,314	0.00	0.00	
2006 Proposed Budget		1,061,485	1.00	0.00	
% Change over Adopted		13.59%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Youth Sports Facilities Grants (YSFG)

The YSFG program is a model for capital planning and development through partnerships, a major component of the Parks and Recreation Division Business Plan. Such partnership programs help the County leverage funding to improve facilities and retain services and programs. The YSFG program provides matching grant funds to community and youth organizations that partner with a public agency such as a school district or city parks department to develop, renovate, or repair sports facilities. Grants range from \$5,000 to \$50,000. To qualify for a grant, applicants must meet a 2 to 1 matching requirement. The YSFG program is funded and sustained through a quarter of one percent of the Auto Rental Sales and Use Tax. YSFG's 2006 Auto Rental Sales & Use Tax revenues of \$716,000 will enable YSFG to award grants in the amount of \$951,000.

Technical Adjustment

Technical Adjustments – \$21,535. Due to revised revenue assumptions and central rate adjustments this proposal increases funding available for grants (programmed expenditures).

Central Rate Adjustments – (\$2,221). Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Fund, Technology Services Infrastructure, Financial Services, Financial Management Services Rebate, Industrial Insurance, COLA, and Countywide Strategic Technology Projects.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Youth Sports Facilities Grant Fund/1290

	2004 Actual ¹	2005 Adopted ²	2005 Estimated	2006 Proposed	2007 Projected	2008 Projected
Beginning Fund Balance	1,556,111	1,061,067	1,591,165	1,017,512	706,277	707,803
Revenues						
* Auto Rental Tax ³	668,483	540,645	693,551	716,438	736,499	753,070
* Net Investment Income ⁴	29,140	24,226	34,271	33,812	32,823	34,696
Total Revenues	697,623	564,871	727,822	750,250	769,322	787,767
Expenditures						
* Programmed ⁵	(538,959)	(830,889)	(829,094)	(950,689)	(651,460)	(664,140)
* Operating ⁶	(123,610)	(103,601)	(103,061)	(110,796)	(116,336)	(122,153)
* Encumbrance Carryover			(202,320)			
* Reappropriation			(167,000)			
Total Expenditures	(662,569)	(934,490)	(1,301,475)	(1,061,485)	(767,796)	(786,292)
Estimated Underexpenditures						
Other Fund Transactions						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	1,591,165	691,447	1,017,512	706,277	707,803	709,278
Reserves & Designations						
* Encumbrance Carryover	(202,320)					
* Reappropriation	(167,000)					
* Stadium Endowment Funds ⁷	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)
Total Reserves & Designations	(1,015,577)	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)
Ending Undesignated Fund Balance	575,588	45,190	371,255	60,020	61,546	63,021
Target Fund Balance⁸	55,810	45,190	58,226	60,020	61,546	63,021

Financial Plan Notes:

¹ 2004 Actuals are based on the 2004 CAFR.

² 2005 Adopted is from the 2005 Adopted Financial Plan.

³ Auto Rental Tax forecast revised by OMB September 2005 using inflation rates of 3.75% in 2005 Estimated, 3.3% in 2006, 2.8% in 2007 and 2.25% in 2008.

⁴ Net Investment Income is calculated at 3.225% in 2005 Adopted; 3.2% in 2005 Estimated; 4.1% in 2006; 4.75% in 2007 and 4.95% in 2008, with 20 basis point investment service fee deducted.

⁵ 2005 Adopted, 2006, 2007 and 2008 Estimated Programmed Expenditures are funded at the level that allows YSFG to meet their Target Fund Balance in 2005, 2006, 2007 and 2008. 2005 Estimated reflects the dollar amount of grants actually awarded in 2005.

⁶ Operating Expenditures consist of salaries, benefits and O&M costs. 2005 Estimated includes a disappropriation of 540 for flexible benefits savings. 2007 and 2008 are inflated at 5% each year.

⁷ Per proviso 13-2 in the 2002 Adopted Budget Ordinance #14265, \$646,257 was to be transferred into YSFG from the Stadium Fund (proceeds from the sale of Stadium property).

However, per the 2003 2nd Quarter Omnibus #14279, \$1M was transferred into YSFG from the Stadium in 2003. According to the proviso, \$646,257 of these funds cannot be expended or encumbered, but may be used to establish an endowment. The income generated by the \$646,257, however, can be used to support ongoing grants programs. The \$353,743 difference between the anticipated \$646,257 Stadium Fund Balance expected to be transferred to YSFG and the \$1M actually transferred per the 2003 2nd Quarter Omnibus #14279 will be available for programming in 2005. Proceeds (amount unknown at this time) from the sale of the Johnson Building and any other remaining Stadium property (after accounting for the set-aside to support housing provided for in Ordinance #13262 and for any negative fund balance remaining after termination of the stadium) will be transferred to YSFG as well, to supplement the YSFG endowment.

⁸ The Target Fund Balance is 8% of Total Revenues.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste 4040/0720

Code/Item Description		Expenditures	FTEs *	TLTs	
Program Area		2005 Adopted	84,945,087	404.80	6.00
PE		Status Quo **	2,594,371	0.00	0.00
		Status Quo Budget	87,539,458	404.80	6.00
Efficient and Reliable Waste Disposal					
TA01	Adjustments to CAMP	1,015,000	0.00	0.00	
TA04	Harbor Island Costs	47,250	0.00	0.00	
TA05	Engineering Services Staff	176,820	2.00	0.00	
TA06	Retirement Reserves	270,000	0.00	0.00	
TA09	Equipment Services & Maintenance Specialist	64,562	1.00	0.00	
TA10	Equipment Purchases and Maintenance	873,000	0.00	0.00	
TA11	Truck Driver Positions	183,045	3.00	0.00	
		2,629,677	6.00	0.00	
Environmental Stewardship					
PC01	Green Building	50,000	0.00	0.00	
PC02	Community Litter Cleanup	31,050	0.00	0.00	
PC03	Illegal Dumping	36,000	0.00	0.00	
PC04	Transition of KCWSUCE	(554,040)	(1.00)	0.00	
RB01	CPG Grant	104,286	0.00	0.00	
		(332,704)	(1.00)	0.00	
Technical Adjustment					
TA02	Landfill Reserve Fund Transfer	(115,210)	0.00	0.00	
TA03	Contribution to CERP	478,342	0.00	0.00	
TA07	Annual Zero-Based Budget Adjustments	547,921	0.00	0.00	
TA50	Revenue Adjustments	0	0.00	0.00	
CR01	Flexible Benefits	(314,278)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	179,824	0.00	0.00	
CR06	Healthy Workplace Fund	10,395	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	1,953	0.00	0.00	
CR08	Technology Services Infrastructure Charge	24,307	0.00	0.00	
CR09	Geographic Information Systems Charge	11,355	0.00	0.00	
CR11	Telecommunications Services	3,270	0.00	0.00	
CR12	Telecommunications Overhead	(7,075)	0.00	0.00	
CR13	Motor Pool Usage Charge	(3,245)	0.00	0.00	
CR15	Insurance Charges	(449,633)	0.00	0.00	
CR16	Radio Access	2,542	0.00	0.00	
CR18	Radio Direct Charges	17,224	0.00	0.00	
CR19	Radio Reserve Program	(704)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(28,439)	0.00	0.00	
CR21	Debt Service Adjustment	10,112	0.00	0.00	
CR22	Long Term Leases	(26,932)	0.00	0.00	
CR25	Financial Services Charge	(4,055)	0.00	0.00	
CR27	Industrial Insurance Rate Adj.	(48,826)	0.00	0.00	
CR28	Equipment Repair and Replacement	(662)	0.00	0.00	
CR33	Limited Tax General Obligation Debt Insurance	(6,563)	0.00	0.00	
CR34	Fixed Asset Data Management	368	0.00	0.00	
CR36	Property Services Lease Administration Fee	1,128	0.00	0.00	
CR39	COLA Adjustment	289,294	0.00	0.00	
CR46	Countywide Strategic Technology Projects	23,076	0.00	0.00	
		595,489	0.00	0.00	
Waste Diversion					
TA08	Recycling Consulting and Contracts	757,370	0.00	0.00	
		757,370	0.00	0.00	
2006 Proposed Budget		91,189,290	409.80	6.00	
% Change over Adopted		7.35%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Division (SWD)

The total 2006 Executive Proposed Budget for the Solid Waste Division is \$91,189,290 with 409.80 FTEs and 6.00 TLTs. The Solid Waste Post-Closure Landfill Maintenance budget is \$4,682,643 with 1.00 FTE. The primary dynamic driving the Solid Waste Division in 2006 is the implementation of business efficiencies detailed in the Solid Waste Business Plan. The efficiencies are intended to make the division's services and programs more cost effective, while ensuring that rates remain low and stable over time. Solid Waste originally planned to seek a fee increase for 2007. Sound financial management practices mean that Solid Waste can maintain a stable tipping fee of \$82.50 per ton until 2008. In the 2006 budget, SWD is seeking a fee increase for the Local Hazardous Waste Management Program (LHWMP). Revenue will be collected at solid waste disposal sites and passed through 100% to the LHWMP.

Efficient and Reliable Waste Disposal

Adjustments to the Capital Asset Management Program (CAMP) - \$1,015,000. The Capital Asset Management Program (CAMP) is critical for maintenance and safety improvements of the Solid Waste Division's assets, primarily at transfer stations. Increases for capital asset maintenance are needed to maintain safety in the transfer and disposal of waste in an environmentally sound manner.

Solid Waste aims to provide value to King County rate payers through the provision of efficient and reliable regional solid waste handling and disposal services at the lowest possible price.

Harbor Island - \$47,250. This proposal supports the annual operating and maintenance costs associated with the Harbor Island property, which is a potential site for an intermodal facility for waste export. The site is being land-banked. This relates to the division's long term goals for disposing of garbage in a cost-effective manner.

Engineering Services Staff - \$176,820 and 2.00 FTEs. This proposal includes two engineer positions to perform project management duties required to implement major capital improvement projects as identified in the Waste Export System Plan and to plan and develop design drawings and inspection work necessary to implement the division's Capital Asset Maintenance Program. This proposal allows for adequate staffing to keep pace with the projected CIP workload.

Retirement Reserves - \$270,000. This proposal establishes reserves for one-time payments for PERS I retirements anticipated in 2006. With an increasingly high number of eligible PERS I staff retiring, it has become more difficult for the Solid Waste Division to absorb the impact without budget authority.

Equipment Services and Maintenance Specialist - \$64,562 and 1.00 FTE. This position provides service for a wide variety of automotive, heavy equipment and machinery, which is needed to respond to an increase in vehicle, equipment and trailer maintenance and service workload created primarily by the shift of tonnage to the transfer station system.

Equipment Purchases and Maintenance - \$873,000. This proposal supports equipment rebuilds, purchases and supplies, which are needed to keep equipment operational. In recent years, maintenance has been deferred in select cases in an effort to achieve cost savings and delay a rate increase. While this is an effective short term strategy, it could not go on indefinitely before productivity was adversely affected.

Truck Driver Positions - \$183,045 and 3.00 FTEs. This proposal establishes three truck driver positions to be responsible for hauling rocks at Cedar Hills Landfill and for vector operations throughout the King County transfer and disposal system. Without increases in staffing levels, delays will occur and/or the division will need to divert drivers from hauling waste from transfer stations to the Cedar Hills Land-

PHYSICAL ENVIRONMENT PROGRAM PLAN

fill.

Environmental Stewardship

Solid Waste's goals include having their physical facilities and contract facilities be designed, constructed and operated to meet or exceed environmental and public health regulations and to minimize the impacts on nearby communities.

Green Building - \$50,000. This proposal increases funding to contribute to the County Green Building Incentive Fund and the Sustainable Development Center in order to minimize the environmental impacts of construction by encouraging practices that conserve resources, use recycled content materials, maximize energy efficiency, and otherwise address environmental and social considerations in county-wide projects.

Community Litter Cleanup - \$31,050. This proposal increases funding for improved litter removal, a service that is primarily funded by the Washington State Department of Ecology's Community Litter Cleanup Program and administered by the Solid Waste Division, in partnership with the Washington State Department of Corrections and Friends of the Trail.

Illegal Dumping - \$36,000. This proposal provides funding for increased public education in order to reduce illegal dumping. The Illegal Dumping Program provides needed public services for the safety of residents and the environment.

Transition of the WSU Cooperative Extension Program to the Water and Land Resources Division – (\$554,040) and (1.00) FTE. This proposal moves the Cooperative Extension program to the Water and Land Resources Division (WLRD). Approximately 60% of the King County WSU Cooperative Extension program is funded by the Water and Land Resources Division, and the program more closely aligns with the mission and activities of WLRD.

Coordinated Prevention Grants (CPG) Grants - \$104,286. This proposal increases funding for programs that promote better environmental stewardship, which are 100% revenue backed by Coordinated Prevention Grants (CPG) from the Washington State Department of Ecology. These funds support implementation of activities identified in the county's solid waste and hazardous waste comprehensive plans and reflect the Solid Waste Division's core business of environmental stewardship.

Technical Adjustments

Landfill Reserve Fund Transfer - (\$115,210). This proposal supports the CIP fund set up for landfill development, closure and post-closure care. The internal transfer per ton rate will increase from \$8.10 to \$8.20 per ton, yet there will be an overall decrease in dollars due to a lower tonnage projection as a result of the closure of the 1st NE Transfer Station for six months of 2006.

Contribution to the Capital Equipment Replacement Fund - \$478,342. This proposal adjusts expenditures for a scheduled transfer to provide the Capital Equipment fund with resources needed for the timely replacement of equipment.

Adjustments to Bring Accounts to Zero-Based - \$547,921. This proposal makes various routine annual adjustments to expenditures to reflect the anticipated 2006 needs.

Central Rate Adjustments – (\$315,564). Central rate adjustments include ITS Infrastructure and O&M, Telecommunications Services and Overhead, GIS, CX Overhead, Debt Service Adjustment, Insurance, Radio charges, Industrial Insurance, Equipment Replacement and Repair, Long Term Lease and Lease Administration Fee, Finance, PAO, Insurance, Countywide Strategic Technology Projects, LTGO Debt Insurance, Fixed Asset Data Management, Motor Pool, COLA, Healthy Workplace Fund

PHYSICAL ENVIRONMENT PROGRAM PLAN

and Flex Benefits.

Waste Diversion

The Solid Waste Division has a goal to divert as much material as possible from disposal and to promote a Zero Waste of Resources goal (to have no disposal of materials with economic value by 2030).

Recycling Consulting and Contracts - \$757,370. This proposal increases consulting services to provide additional support for public education about electronics recycling options, to promote the development of privately managed electronics collection systems, and for consultant support in preparation for the recycling potential assessment for the Comprehensive Solid Waste Plan update. Second, it includes increases to other contract or professional services due to an increase to the Brownfields assessment grant that will be fully reimbursed by the EPA. Third, it includes an increase due to the rising costs of recycling collection services at King County transfer stations, which are partially offset by revenues from the sale of materials.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Division - Fund 4040

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	25,068,926	16,740,232	25,315,818	26,926,788	22,564,484	14,346,822
Revenues						
* Net Disposal Fees ^{4,5}	81,873,470	82,816,515	80,774,862	80,577,650	85,898,800	84,152,878
* CDL Revenues	846,911					
* Moderate Risk Waste	3,012,576	2,949,100	3,089,875	2,973,435	3,062,638	3,154,517
* Grants	465,963	882,468	819,873	588,286	200,000	180,000
* Landfill Gas to Energy ⁶						200,000
* DNR Administration (0381)	4,308,114	4,523,068	4,493,235	4,832,811	4,977,795	5,127,129
* Other ⁷	1,490,757	1,345,526	1,269,534	812,351	836,722	861,823
Total Revenues	91,997,792	92,516,677	90,447,379	89,784,533	94,975,955	93,676,348
Expenditures						
* Solid Waste Division ⁸	(53,248,624)	(60,415,926)	(57,660,201)	(66,070,551)	(68,052,668)	(70,094,248)
* Landfill Reserve Fund Transfer	(10,695,523)	(8,136,450)	(8,027,910)	(8,021,240)	(8,839,889)	(9,180,841)
* CERP Fund Transfer, Appropriation ⁹	(1,780,000)	(2,919,966)	(2,919,966)	(3,398,342)	(3,550,000)	(1,608,000)
* Construction Fund Transfer	(4,090,000)				(4,000,000)	(4,000,000)
* Debt Service - Existing Facilities	(6,252,274)	(6,262,745)	(6,262,745)	(6,272,857)	(6,290,636)	(8,247,024)
* Debt Service - New Facilities					(1,777,241)	(2,714,284)
* Risk Abatement	(183,917)					
* Rent, Cedar Hills Landfill	(7,000,000)	(7,210,000)	(7,210,000)	(7,426,300)	(7,649,089)	(7,878,562)
* Expenditures from Prior Year Carryover	(4,114,290)		(4,098,651)			
* SWD- 1st Qtr Omnibus- Flex Benefits			223,785			
* DNR Administration (0381)	(4,386,272)	(4,509,975)	(4,509,975)	(4,832,811)	(4,977,795)	(5,127,129)
* DNR Admin- 1st Qtr Omnibus- Flex Benefits			16,740			
Total Expenditures	(91,750,900)	(89,455,062)	(90,448,923)	(96,022,101)	(105,137,318)	(108,850,088)
Estimated Underexpenditures¹⁰		1,699,400	1,612,514	1,875,265	1,943,701	2,002,792
Other Fund Transactions						
*						
*						
Total Other Fund Transactions						
Ending Fund Balance	25,315,818	21,501,247	26,926,788	22,564,484	14,346,822	1,175,874
Reserves & Designations						
* Encumbrance Carryovers - SWD	(3,789,013)					
* Encumbrance Carryovers - DNR Admin 0381	(100,993)					
* Unencumbered Carryovers - SWD	(208,645)					
Total Reserves & Designations	(4,098,651)					
Ending Undesignated Fund Balance	21,217,167	21,501,247	26,926,788	22,564,484	14,346,822	1,175,874
Target Fund Balance ¹¹	6,656,078	7,551,991	7,207,525	8,258,819	8,506,583	8,761,781

Financial Plan Notes:

¹ 2004 Actuals are from the 2004 CAFR and the 14th Month ARMS report.

² 2005 Estimated is based on preliminary estimates from Solid Waste Division.

³ 2007 and 2008 Projected are based on 3% inflation in most cases.

⁴ 2005 Revised assumes tonnage of 1,004,500 tons consistent with the 2005 Adopted assumptions.

⁵ Revenue is based on the Solid Waste Division's June 2005 long-term tonnage forecast. Forecast disposal is 978,200 tons in 2006, 1,022,300 tons in 2007, and 1,052,300 in 2008 respectively. Tonnage assumptions in 2006 and 2007 assume lost revenue for 6 months during construction of the First Northeast Transfer Station.

⁶ Revenues from Landfill Gas to Energy are currently expected to begin in 2008.

⁷ Other Revenue is comprised of WR/R Revenues, Interest Net of Fees, and other miscellaneous revenues.

⁸ 2004-2007 expenditures reflect savings developed for the Solid Waste Change Initiative. 2006-2008 expenditures also include costs to handle increased tonnage at transfer stations resulting from the increase in the regional direct fee to \$69.50 per ton.

⁹ Based on CERP policy to maintain sinking fund contribution for equipment replacement.

¹⁰ Assumed under-expenditures equal 3% of Solid Waste Division operating expenditures, excluding grant funded expenditures.

¹¹ Minimum fund balance target based on 45-day cash reserve policy (SWD operating expenditures x 45/360).

PHYSICAL ENVIRONMENT PROGRAM PLAN**Solid Waste Post-Closure Landfill Maintenance 1040/0715**

Code/Item Description		Expenditures	FTEs *	TLTs
Program Area		2005 Adopted		
PE		3,148,029	1.00	0.00
		Status Quo **	0.00	0.00
		Status Quo Budget	1.00	0.00
Environmental Stewardship				
PC01	SCADA Maintenance	50,000	0.00	0.00
TA01	Vashon Road Rebuild	843,000	0.00	0.00
		893,000	0.00	0.00
Technical Adjustment				
TA02	Consulting Services Adjustment	384,686	0.00	0.00
TA03	Overhead Cost Allocation	118,225	0.00	0.00
TA04	Environmental Testing/Reporting	97,565	0.00	0.00
TA05	Misc. Site Support and Supplies	35,654	0.00	0.00
TA50	Revenue Adjustments	0	0.00	0.00
CR01	Flexible Benefits	(744)	0.00	0.00
CR05	Current Expense Overhead Adjustment	719	0.00	0.00
CR06	Healthy Workplace Fund	25	0.00	0.00
CR08	Technology Services Infrastructure Charge	792	0.00	0.00
CR25	Financial Services Charge	(467)	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(158)	0.00	0.00
CR39	COLA Adjustment	537	0.00	0.00
		636,834	0.00	0.00
2006 Proposed Budget		4,682,643	1.00	0.00
% Change over Adopted		48.75%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

SWD – Landfill Post-Closure Maintenance

Environmental Stewardship

Solid Waste's goals include having their physical facilities and contract facilities be designed, constructed and operated to meet or exceed environmental and public health regulations and to minimize the impacts on nearby communities.

Supervisory Control and Data Acquisition (SCADA) System Maintenance– \$50,000. This proposal increases funding to the Supervisory Control and Data Acquisition (SCADA) system for system maintenance, which is used to comply with regulation to monitor and maintain closed landfill sites and report to regulators.

Vashon Road Rebuild - \$843,000. This proposal is for the repair of the sinking access road to the Vashon Landfill. The refuse under the road needs to be covered, with some potentially removed. The landfill gas header in the road also needs repair/replacement and the road needs to be reconstructed to be stable on refuse. The corner of the landfill in that area will need to be regraded for surface water drainage.

Technical Adjustments

Consulting Services Adjustment - \$384,686. This proposal adjusts consulting services to the various sites, including a consultant review of engineering system effectiveness at Cedar Falls, Hobart, Puyallup, and Houghton. It also includes consulting services for environmental monitoring and reporting and for adding three additional monitoring wells and five gas extraction wells at Vashon.

Overhead Cost Allocation - \$118,225. This proposal adjusts loan-in labor costs that are site-specific for projects planned in 2006. The overhead cost allocation is adjusted yearly by site based on projected use of SWD staff time.

Environmental Testing/Reporting - \$97,565. This proposal adjusts for fees for professional services to conduct environmental testing and reporting at the landfill sites, specifically for water sample testing taken from environmental wells and the refurbishment of carbon canisters.

Miscellaneous Site Support and Supplies Adjustment - \$35,654. This proposal includes adjustments for staff support and supplies for general environmental activities which are not site specific.

Central Rate Adjustments – \$704. Central rate adjustments include CX Overhead, Finance, Technology Services Infrastructure, Industrial Insurance, Flexible Benefits, COLA and Healthy Workplace Fund.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Post Closure Landfill Maintenance Fund - Fund 1040

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	30,961,906	24,710,546	24,891,294	22,126,744	18,588,311	17,801,962
Revenues						
* Interest income	645,116	699,883	623,512	1,003,730	929,454	902,380
*						
*						
Total Revenues	645,116	699,883	623,512	1,003,730	929,454	902,380
Expenditures						
* Expenditures	(6,715,728)	(3,148,029)	(3,148,029)	(4,682,643)	(1,768,869)	(1,551,841)
* Carryover items			(344,818)			
*						
Total Expenditures	(6,715,728)	(3,148,029)	(3,492,847)	(4,682,643)	(1,768,869)	(1,551,841)
Estimated Underexpenditures		94,441	104,785	140,479	53,066	46,555
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	24,891,294	22,356,841	22,126,744	18,588,311	17,801,962	17,199,056
Reserves & Designations						
* Reserves for encumbrances	(344,818)					
* Reserves for custodial landfills	(6,627,549)	(6,036,347)	(5,974,221)	(5,018,844)	(4,806,530)	(4,643,745)
* Reserves for closed landfills	(17,182,533)	(15,649,789)	(15,488,721)	(13,011,818)	(12,461,373)	(12,039,339)
* Program contingency	(736,394)	(670,705)	(663,802)	(557,649)	(534,059)	(515,972)
*						
Total Reserves & Designations	(24,891,294)	(22,356,841)	(22,126,744)	(18,588,311)	(17,801,962)	(17,199,056)
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance ⁵	N/A	N/A	N/A	N/A	N/A	N/A

Financial Plan Notes:

¹ 2004 Actuals are from final 14th month ARMS.

² 2005 Estimated is based on current projections.

³ 2007 and 2008 Projected are based on anticipated future budget requirements which are reviewed annually.

⁴ Estimated underexpenditures is based on 3% of Total Expenditures

⁵ No target fund balance is required other than noted for projected required reserves and program contingency.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment 4610/4000M

Code/Item Description	Expenditures	FTEs *	TLTs	
Program Area	2005 Adopted	86,860,000	598.70	35.00
PE	Status Quo **	4,681,000	0.00	(12.00)
	Status Quo Budget	91,541,000	598.70	23.00
Technical Adjustment				
TA01	Technical Adjustments	12,214	0.00	8.00
TA02	Brightwater Phase III Staffing Plan	0	0.00	4.00
TA03	Asset Management Positions	0	3.00	(3.00)
TA04	Transfer FTEs to DNR Director's Office & Zero-base	(266,374)	(4.00)	0.00
TA05	Centralized Financial Reporting FTE	84,340	1.00	0.00
TA07	Labor Contract Adjustments	558,470	0.00	0.00
CR01	Flexible Benefits	(272,289)	0.00	0.00
CR05	Current Expense Overhead Adjustment	53,841	0.00	0.00
CR06	Healthy Workplace Fund	15,768	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	603	0.00	0.00
CR08	Technology Services Infrastructure Charge	(27,988)	0.00	0.00
CR12	Telecommunications Overhead	(37,422)	0.00	0.00
CR13	Motor Pool Usage Charge	3,129	0.00	0.00
CR15	Insurance Charges	378,436	0.00	0.00
CR16	Radio Access	(10,720)	0.00	0.00
CR17	Radio Maintenance	12,961	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(27,728)	0.00	0.00
CR22	Long Term Leases	(75,866)	0.00	0.00
CR25	Financial Services Charge	257,095	0.00	0.00
CR27	Industrial Insurance	(32,217)	0.00	0.00
CR29	Wastewater Vehicles	20,472	0.00	0.00
CR34	Fixed Asset Data Management	1,520	0.00	0.00
CR36	Property Services Lease Administration Fee	2,063	0.00	0.00
CR39	COLA Adjustment	319,497	0.00	0.00
	969,805	0.00	9.00	
2006 Proposed Budget		92,510,805	598.70	32.00
% Change over Adopted		6.51%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment Division (WTD)

Changes made to WTD's 2005 Adopted Budget during the PSQ process include adjustments for dewatering polymer due to a price increase; salaries and benefits; treatment plant chemicals, utilities, permits and general O and M; central rates and overhead; Local Hazardous Waste fees as mandated by the Board of Health; the transfer to WLRD; and Long Term GO Bond debt insurance. WTD's 2006 Executive Proposed budget includes further refinements to central rate and overhead adjustments; utilities; the transfer to WLRD; and adjusts TLTs as part of the TLT reconciliation process. It also addresses decentralized financial reporting based on an audit recommendation; the DNRP reorganization; the Brightwater Phase III Staffing Plan; establishes reserves for labor contract settlements; and adjusts Asset Management FTEs and TLTs.

WTD Operating

Technical Adjustment

Technical Adjustments – \$12,214 and 8.00 TLTs. This proposal includes technical adjustments that are a result of changes that have occurred since the 2006 sewer rate was adopted. The most significant adjustments are revised electricity and cogeneration costs, and adjustment of the transfer to WLRD. TLT adjustments are a result of WTD's June TLT reconciliation process.

Brightwater Phase III Staffing Plan – 4.00 TLTs. This proposal provides two Engineers and two Construction Managers (all TLTs) consistent with Phase III of the Brightwater Staffing Plan. The funding for these positions is in the Brightwater budget (CIP).

Asset Management Positions – 3.00 FTEs and 3.00 TLTs. This proposal eliminates 3.0 TLTs and adds 3.0 FTEs – a Construction Manager and two Engineers. All positions are 100% loaned out to capital projects.

Transfer FTEs to DNRP Director's Office and Zero-base Water/Air Policy – (\$266,374) and (4.00) FTEs. This proposal is in coordination with DNRP's reorganization. It transfers 4.0 FTEs from WTD to DNRP Administration. These positions have historically supported the Director's Office work plan but have been budgeted in WTD for payroll purposes.

Centralized Financial Reporting FTE - \$84,340 and 1.00 FTE. A Deloitte & Touche audit led to the recommendation that Wastewater should be responsible for financial statement support. In response, WTD has proposed a Business and Finance Officer III that will take on this responsibility.

Labor Contract Adjustments - \$558,470. This adjustment establishes reserves for the potential impact of the Local 117 labor contract settlement and for the potential impact for the TEA labor settlement.

Central Rate Adjustments – \$581,155. Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Fund, Technology Services O and M, Technology Services Infrastructure, Telecommunications Overhead, Motor Pool Usage, Insurance, Radio Access, Radio Maintenance, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services, Financial Management Services Rebate, Industrial Insurance, Wastewater Vehicles, Fixed Asset Data Management, Property Services Lease Administration Fee, and COLA.

WTD Debt Service

Technical Adjustment

Technical Adjustments – \$43,011. According to the proposed financial plan, debt service will be \$43,011 more than 2006 PSQ.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment Debt Service 4610/4999M

Code/Item Description		Expenditures	FTEs *	TLTs
Program Area				
DS				
	2005 Adopted	120,492,000	0.00	0.00
	Status Quo **	9,418,000	0.00	0.00
	Status Quo Budget	129,910,000	0.00	0.00
Technical Adjustment				
TA01	Technical Adjustments	43,011	0.00	0.00
		43,011	0.00	0.00
	2006 Proposed Budget	129,953,011	0.00	0.00
	% Change over Adopted	7.85%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment Enterprise Fund - Fund 4610/4616

	2004 Audited	2005 Adopted	2005 Estimated	2006 Proposed	2007 Projected	2008 Projected
CUSTOMER EQUIVALENTS (RCEs)	687.91	688.49	691.89	676.35	679.73	686.53
MONTHLY RATE	\$23.40	\$25.60	\$25.60	\$25.60	\$27.04	\$31.15
BEGINNING OPERATING FUND	7,433	7,696	7,417	22,529	16,127	9,293
OPERATING REVENUE:						
Customer Charges	192,912	211,503	212,550	207,776	220,544	256,666
Investment Income	3,852	4,816	5,856	6,202	9,685	13,269
Capacity Charge	17,541	19,977	20,360	23,093	25,823	30,191
Rate Stability	0	(9,250)	(14,500)	7,250	7,250	0
Other Income	6,821	7,158	6,272	5,766	5,939	6,117
TOTAL OPERATING REVENUES	221,126	234,205	230,537	250,087	269,241	306,243
OPERATING EXPENSE	(82,778)	(86,860)	(86,860)	(92,511)	(95,286)	(98,145)
DEBT SERVICE REQUIREMENT PARITY DEBT	(99,851)	(112,877)	(108,520)	(115,104)	(129,879)	(157,579)
SUBORDINATED DEBT SERVICE	(6,530)	(7,615)	(9,649)	(14,849)	(15,449)	(16,777)
DEBT SERVICE COVERAGE RATIO PARITY DEBT	1.39	1.31	1.32	1.37	1.34	1.32
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.30	1.16	1.16	1.16	1.15	1.15
LIQUIDITY RESERVE CONTRIBUTION	16	(333)	(612)	(848)	(416)	(429)
TRANSFERS TO CAPITAL	(31,984)	(26,520)	(24,895)	(26,776)	(28,211)	(33,313)
RATE STABILITY RESERVE	0	9,250	14,500	7,250	0	0
OPERATING LIQUIDITY RESERVE BALANCE	7,417	8,029	8,029	8,877	9,293	9,722
OPERATING FUND ENDING BALANCE	7,417	17,279	22,529	16,127	9,293	9,722

CONSTRUCTION FUND

BEGINNING FUND BALANCE	5,000	5,697	21,994	24,592	5,002	4,997
REVENUES:						
Parity Bonds	185,000	182,850	200,000	84,190	233,163	385,884
Variable Debt Bonds	0	4,500	0	50,000	0	35,018
Grants & Loans	23,084	13,685	16,320	12,717	5,900	0
Other	5,172	2,100	2,100	4,500	2,000	2,000
Transfers From Operating Fund	31,984	26,520	24,895	26,776	28,211	33,313
TOTAL REVENUES	245,240	229,654	243,315	178,183	269,273	456,215
CAPITAL EXPENDITURES	(189,917)	(223,278)	(244,973)	(184,292)	(263,557)	(422,180)
DEBT ISSUANCE COSTS	(1,624)	(3,680)	(1,613)	(1,934)	(4,663)	(7,893)
BOND RESERVE TRANSACTIONS	(87)	0	0	0	0	(25,073)
AMOUNTS TO ASSET MANAGEMENT RESERVE	(3,000)	(3,000)	(3,000)	(3,000)	0	0
ADJUSTMENTS	(33,618)	(388)	8,869	(8,548)	(1,057)	(1,059)
ENDING FUND BALANCE	21,994	5,007	24,592	5,002	4,997	5,008
CONSTRUCTION FUND RESERVES						
Bond & SRF Reserves	69,375	68,979	68,921	69,925	70,937	97,021
Policy Reserves	15,031	17,989	18,072	28,615	21,161	21,208
TOTAL FUND RESERVES	84,406	86,968	86,993	98,541	92,097	118,229
CONSTRUCTION FUND BALANCE	106,400	91,975	111,585	103,542	97,095	123,237

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources 1210/0741

Code/Item Description	Expenditures	FTEs *	TLTs
Program Area	2005 Adopted		
PE			
	Status Quo **		
	Status Quo Budget		
	39,827,171	329.26	12.75
	2,081,832	0.50	0.00
	41,909,003	329.76	12.75
Agreement Renewal			
RB04 WRIA Services Renewal	968,686	12.00	0.00
	968,686	12.00	0.00
Annexation			
DS15 Klahanie/South Cove Potential Annexations	(109,220)	(0.57)	0.00
	(109,220)	(0.57)	0.00
Fee Renewal			
RB02 King Conservation District Renewal	112,283	0.66	0.00
	112,283	0.66	0.00
Financial Reorganization of WLRD			
TA01 Reorg Transfers Out	(11,823,750)	(112.40)	(5.50)
TA02 Admin Cost Distribution to 1211	(394,458)	0.00	0.00
	(12,218,208)	(112.40)	(5.50)
Regional Role			
RB01 WSU Cooperative Extension Transfer to WLR	770,410	1.00	0.00
RB05 Shoreline Master Plan	330,266	2.16	0.62
RB07 ORRP Community Outreach Support to Wastewater Division	32,502	0.34	0.00
	1,133,178	3.50	0.62
Revenue Reduction			
DS01 WTD Rate Impacts	(576,839)	(5.14)	(3.00)
DS04 WRIA Services ILA's	(1,369,740)	(12.50)	(2.00)
DS05 KCD Sunset	(236,502)	0.00	0.00
DS06 Other SWM Reductions	(856,507)	(6.00)	(0.10)
DS07 Other Program Reductions	(388,816)	(4.00)	(1.15)
	(3,428,404)	(27.64)	(6.25)
Technical Adjustment			
DS02 Culver Allocation	(151,978)	(1.09)	0.00
PC01 Administrative Transfers	90,676	0.70	0.00
PC02 Local Hazardous Waste Program	88,187	0.60	0.00
TA03 Technical Adjustments	513,535	0.40	0.60
TA04 TLT Conversion	0	1.00	(1.00)
CR01 Flexible Benefits	(159,650)	0.00	0.00
CR05 Current Expense Overhead Adjustment	(245,708)	0.00	0.00
CR06 Healthy Workplace Fund	5,203	0.00	0.00
CR07 Technology Services Operations & Maintenance Charge	(71,238)	0.00	0.00
CR08 Technology Services Infrastructure Charge	(26,457)	0.00	0.00
CR09 Geographic Information Systems Charge	28,462	0.00	0.00
CR11 Telecommunications Services	(13,115)	0.00	0.00
CR12 Telecommunications Overhead	(27,813)	0.00	0.00
CR13 Motor Pool Usage Charge	(10,657)	0.00	0.00
CR15 Insurance Charges	(70,877)	0.00	0.00
CR16 Radio Access	30	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources 1210/0741

CR20	Prosecuting Attorney Civil Division Charge	(217,251)	0.00	0.00
CR22	Long Term Leases	(67,429)	0.00	0.00
CR25	Financial Services Charge	(229,167)	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(8,622)	0.00	0.00
CR28	Equipment Repair and Replacement	(418,672)	0.00	0.00
CR29	Wastewater Vehicles	(12,761)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance	(20,775)	0.00	0.00
CR36	Property Services Lease Administration Fee	2,559	0.00	0.00
CR39	COLA Adjustment	(66,330)	0.00	0.00
CR40	Merit Adjustment	(335,973)	0.00	0.00
		(1,425,821)	1.61	(0.40)
	2006 Proposed Budget	26,941,497	206.92	1.22
	% Change over Adopted	-32.35%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources Division (WLRD) – Surface Water Management (SWM) (Formerly the Surface Water Management (SWM) Fund 1210, Now the WLR Shared Services Fund 1210)

WLRD has a number of dynamics affecting the 2006 proposed budget. First is a financial reorganization of Funds 1210 and 1211 to increase transparency and better align resources along regional and local service areas. This reorganization shifts staff and resources providing the local services that are supported by the Surface Water Management (SWM) fee to a dedicated fund. The reorganization will make Fund 1211 dedicated to local SWM services, while Fund 1210 will be dedicated to regional services, where funding is shared by a combination of regional fees such as Wastewater Service and Local Hazardous Waste Transfers, King Conservation District revenues, interlocal agreements, grants, and fees for services. This reorganization includes no cuts to expenditures or staff, but would shift 112.4 FTEs from Fund 1210 to Fund 1211. Second, the 2006 Proposed Budget for WLRD responds to a number of expected declines in major revenue sources, including the potential annexations of the Klahanie and South Cove areas, the Wastewater Treatment Division's rate impact, the King Conservation District (KCD) fee sunset, and the Water Resource Inventory Areas (WRIA) Interlocal Agreement terminations. Two of these revenue sources, the KCD fee and the WRIA Interlocal Agreements, are currently under review for renewal and as a result are added back into the budget. Finally, WLRD's 2006 Proposed Budget realigns resources to focus on enhancing its regional role in salmon conservation and watershed management.

Financial Reorganization of WLRD

WLRD identified the need to implement a financial reorganization to clearly delineate regional activities and the local Surface Water Management (SWM) program. This is achieved by using separate funds for regional and local services.

Reorganization Transfers Out - (\$11,823,750), (112.40) FTEs and (5.50) TLTs. This proposal reflects technical changes that move local revenues and expenditures from Fund 1210 to Fund 1211, as outlined above. The change does not represent any reductions in staff or expenditures for the agency.

Administrative Cost Distribution to Fund 1211 - (\$394,458). This proposal represents a technical reallocation of overhead costs that were budgeted in Fund 1210. This also includes Business and Occupation taxes levied on SWM charge receipts that were formerly budgeted in Fund 1210.

Annexation

Pending voter approval, if the Klahanie and South Cove areas are annexed to the City of Issaquah on March 2, 2006, WLRD has identified a loss of over \$436,000 in revenue. The division has identified areas of direct expenditures savings in Funds 1210 and 1211. The remaining revenue loss is reflected in other SWM reductions below.

Klahanie and South Cove Potential Annexations - (\$109,220) and (0.57) FTE. This proposal reduces the services provided through the WLR Shared Services Fund as a result of the anticipated annexation of the Klahanie and South Cove areas, including direct programmatic expenditures, as well as supporting administrative and central costs.

Revenue Reduction

A driving dynamic for developing the WLRD 2006 budget was the potential for revenue reductions. Most significant included expiration of the current \$5 per parcel King Conservation District (KCD) fee, the WRIA Services Interlocal Agreements, reduced support to the Wastewater Services Division, and annexations which reduced available SWM fees. WLRD identified reductions of expenditures and staff directly related to the loss of these sources of funding. Subsequently, some of these reductions, most no-

PHYSICAL ENVIRONMENT PROGRAM PLAN

tably the KCD assessment and WRIA Services Interlocal Agreements, were added back based on assumed renewal of the assessment and final implementation of extended WRIA interlocal agreements.

Wastewater Division (WTD) Rate Impacts - (\$576,839), (5.14) FTEs and (3.00) TLTs. These reductions were identified during the annual Wastewater Division (WTD) rate process. The Environmental Lab is eliminating a 1.0 FTE custodian position (a productivity initiative cut) and 3.0 TLT positions due to the reduced demand from WTD capital projects. Community Outreach and Grants is eliminating 1.58 FTEs that were funded in 2005 for Brightwater Support, and subsequently were not needed (nor were the positions filled). Science is reducing 1.66 FTEs that were dedicated to the WRIA Assessment work that will be completed by the end of 2005. Finally, 1.0 FTE dedicated to development of a regional funding plan in Strategic Initiatives is also being eliminated. The remaining FTE change is a .1 FTE correction for the Environmental Lab.

Water Resource Inventory Areas (WRIA) Services Interlocal Agreement Termination - (\$1,369,740), (12.50) FTEs and (2.00) TLTs. The county has been the service provider to the three watershed WRIA Forums under a five year Interlocal Agreement (ILA), which expires in December 2005. The original agreements provided a framework and shared funding approach for the development of salmon recovery plans in response to federal endangered species listings. This proposal represents the expiration of this agreement. This program is later added back to WLRD's budget to reflect the one-year agreements which WLRD is working to procure with the individual Forums.

King Conservation District Fee Sunset - (\$236,502). This proposal would reduce the programming associated with grants from the King Conservation District (KCD) assessment, which sunsets at the end of 2005 and requires action by the King County Council to reauthorize. Pending reauthorization, programs funded through this assessment are reduced. All proposed 2006 expenditures that depend on this revenue are proposed in the KCD Fee Renewal increases.

Other SWM Reductions - (\$856,507), (6.00) FTEs and (0.10) TLT. These reductions were necessary to meet SWM revenue targets, to free up adequate resources to fund King County's share to extend the WRIA services ILA in 2006, and to provide additional funds for SWM maintenance. Reductions include a 1.0 Accounts Payable Payroll Technician and .5 IT support in Finance and Administration; .68 FTE in Visual Communications/GIS; 1.38 FTEs in Community Outreach and Grants; 1.0 FTE in the former Strategic Initiatives section associated with legislative coordination and division communication; 1.0 FTE in the Science section, and portions of three positions associated with Tri-county and the Lakes programs. Portions of the Visual Communications, Lakes and Community Outreach positions were added back, supported by other funding sources below.

Other Program Reductions - (\$388,816), (4.00) FTEs and (1.15) TLTs. The reductions in this proposal include staff, operations and maintenance that are reduced largely as a result of other declining revenues. They include 3.4 FTEs and 1.15 TLTs in Science that have supported programs funded by KCD grants and WTD operating and capital funds. Also included is a .6 FTE in the former Strategic Initiatives section that was funded by the State Lead Entity grants.

Agreement Renewal

The WRIA Forum Interlocal Agreements (ILAs) are due to end in December 2005. New draft agreements for implementation of salmon recovery plans will be forwarded to the King County Council for review and approval. The draft agreements for WRIs 8 and 9 will extend those forums for one year, pending identification of future funding. The draft agreement for WRIA 7 is for a five-year period.

Water Resource Inventory Areas (WRIA) Services Renewal - \$968,686 and 12.00 FTEs. This proposal provides funding for the WRIA Services Unit, which supports salmon recovery in the three major watersheds of King County, consistent with draft agreements being forwarded to council.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Fee Renewal

While the King Conservation District fee is slated to sunset in December 2005, this fee is under consideration for renewal for 2006. The 2006 Executive Proposed Budget assumes the fee will be renewed at \$10 per parcel, with a new allocation of \$6 (to the WRIA forums), \$2 (to support the KCD's activities), and \$2 (to the participating jurisdictions).

King Conservation District Renewal - \$112,283 and 0.66 FTE. This proposal reintroduces the programming associated with the King Conservation District (KCD) that is reduced above in the KCD Sunset. This renewal includes contract work for WRIA 7 and .66 FTE of science support for the CAO.

Regional Role

WLRD identified a growing need for regional environmental services to protect water and land resources, particularly in light of regional Salmon Conservation Plans and watershed management. The division's business plan goals include serving in a leadership role in this arena.

Washington State University Cooperative Extension Program Transfer to WLRD - \$770,410 and 1.00 FTE. This proposal transfers the WSU Cooperative Extension program to WLRD from the Solid Waste Division. The WSU Cooperative Extension Program is closely related to many of WLRD's rural and resource stewardship programs. This transfer will not result in changes to service levels.

Shoreline Master Plan (SMP) - \$330,266, 2.16 FTE and 0.62 TLT. This proposal supports an update of the 1975 King County Shoreline Management Program (SMP). State law requires King County to complete the SMP update by December 2009. Completing this update earlier, by 2007, will allow for coordination with the 2008 King County Comprehensive Plan update. This proposal is supported by revenue from a Department of Ecology grant.

Office of Rural Resources Program (ORRP) Community Outreach Support to the Wastewater Division (WTD) - \$32,502 and 0.34 FTE. This proposal would provide funding for WTD operating programs, including the development of a septic system maintenance incentives program.

Technical Adjustments

Culver Allocation - (\$151,978) and (1.09) FTEs. This represents the portion of the Wastewater Division transfer to WLRD which is designated for activities that provide general water quality benefit (referred to as Category III or "Culver" funds). The 2006 Executive Proposed budget includes a reduction to the Water Quality Awareness staff and Splash and WaterWorks grants, in order to leave Culver money available for the County Council to allocate. The full Culver revenue for 2006 is \$1,387,659. The 2006 Executive Proposed Budget allocates \$180,604 for the WaterWorks grant administration, \$300,000 for EarthCorps, and \$235,847 for the WSU Cooperative Extension program costs. The 2006 Executive Proposed Budget leaves \$671,208 of Culver money unprogrammed for the King County Council to allocate.

Administrative Program Transfers - \$90,676 and 0.70 FTE. This proposal includes the transfer of the DNRP library to WLRD, which includes .5 FTE, because the library is used almost exclusively by WLRD staff. In addition, it includes an increase of an existing Intergovernmental Relations position

from .8 to 1.0 FTE and a transfer of three positions that were in the former Strategic Initiatives section to the Division Director's Office and Finance and Administration.

Local Hazardous Waste Management Program (LHWMP) - \$88,187 and 0.60 FTE. This proposal increases WLRD's Local Hazardous Waste Management Program (LHWMP) by .6 FTE for a Web

PHYSICAL ENVIRONMENT PROGRAM PLAN

Applications Developer. This will allow the LHWMP to maintain websites for commercial and household clients and to provide resource materials to program staff.

Technical Adjustments - \$513,535, 0.4 FTE and 0.6 TLT. This represents annual technical adjustments to align the program with 2005 projections. It also includes a technical FTE correction in the Lakes program.

FTE Addition/TLT Elimination - \$0, 1.00 FTE and (1.00) TLT. This represents the elimination of a TLT position which has been replaced with an FTE position for an HR analyst in the Finance and Administration section.

Central Rate Adjustments – (\$1,966,241). Central rate adjustments include: CX Overhead, ITS O and M and Infrastructure, Telecommunications Services and Overhead, GIS, Insurance, PAO, Long Term Lease and Lease Administration Fee, Finance, Wastewater Vehicles, Motor Pool, Radio charges, LTGO Debt Insurance, Flex Benefits, Industrial Insurance, Equipment Repair and Replacement, Healthy Workplace Fund, Merit and COLA. Many of these adjustments reflect the transfer of portions of central rate costs to Fund 1211 as part of the overhead allocation due to WLRD's financial reorganization.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLR Fund 1210

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed ³	2007 Projected ⁴	2008 Projected ⁴
Beginning Fund Balance	2,293,579	1,442,038	1,728,639	0	283,575	283,575
Revenues						
SWM Service Charge	14,898,931	14,765,373	14,815,373	0	0	0
WTD Operating	12,927,921	12,680,109	13,474,296	12,755,801	13,138,475	13,532,629
WTD Capital	868,659	982,254	982,254	796,003	477,602	477,602
Local Haz Waste	3,598,691	3,549,752	3,659,752	3,904,712	4,021,853	4,142,509
Current Expense	42,591	184,330	309,330	0	0	0
SWM Transfer from 1211				6,280,280	5,715,055	4,035,536
Other Revenues	5,598,084	6,331,718	6,810,916	3,488,276	3,592,924	3,700,712
Total Revenues	37,934,877	38,493,536	40,051,921	27,225,072	26,945,909	25,888,988
Expenditures						
Operating Expenditures	(34,367,475)	(35,111,984)	(34,561,984)	(26,941,497)	(26,945,909)	(25,888,988)
CIP PAYG	(2,381,591)	(3,018,843)	(3,018,843)			
CIP Debt Service	(1,750,751)	(1,696,344)	(1,696,344)			
ARMS Encumbrance Carryover			(692,133)			
IBIS PO Reinstatements			(746,639)			
Second Qtr Omnibus - WLR Request			(703,755)			
Second Qtr Omnibus - PERS disapprop			189,540			
Third Qtr Omnibus			(149,125)			
Total Expenditures	(38,499,817)	(39,827,171)	(41,379,283)	(26,941,497)	(26,945,909)	(25,888,988)
Estimated Underexpenditures		404,366				
Other Fund Transactions						
Underexpenditure Assumption						
Transfer of Fund Balance to Fund 1211			(401,277)			
Total Other Fund Transactions	0	0	(401,277)	0	0	0
Ending Fund Balance	1,728,639	512,769	0	283,575	283,575	283,575
Reserves & Designations						
Reserve for Carryover	(1,438,772)					
Carryover Revenues						
Total Reserves & Designations	(1,438,772)	0	-	0	0	0
Ending Undesignated Fund Balance	289,867	512,769	0	283,575	283,575	283,575
Target Fund Balance ⁵	725,321	738,269	738,269	N/A	N/A	N/A

Financial Plan Notes:

¹ 2004 Actuals are from the 2004 CAFR.

² 2005 Estimated is based on 2nd Qtr financial plan updates.

³ 2006 begins with a transfer of fund balance to Fund 1211. Fund 1210 is being transitioned to a shared services fund that operates on a reimbursable basis.

⁴ 2007 and 2008 projected revenues assumed to grow at 3%, except as follows: Transfers from Fund 1211 which are assumed to reduce commensurate with SWM service area annexations; WTD Capital will be reduced based on projected service demand from WTD; WRIA Services ILA's for WRIA's 7, 8 and 9 included. WRIA's 8 and 9 are subject to renewal in 2007 and beyond. 2007 and 2008 projected expenditures are assumed to be equal to annual revenues.

⁵ No target fund balance has been established as Fund 1210 will operate on a reimbursement basis.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Rural Drainage 1211/0845

Code/Item Description		Expenditures	FTEs *	TLTs
Program Area		2005 Adopted		
PE		4,331,854	0.00	0.00
		Status Quo **	358	0.00
		Status Quo Budget	4,332,212	0.00
Agreement Renewal				
PC02	WRIA Services ILA - King County Cost Share	596,916	0.00	0.00
		596,916	0.00	0.00
Annexation				
DS15	Klahanie/South Cove Annexations	(165,886)	0.00	0.00
		(165,886)	0.00	0.00
Fee Renewal				
RB02	King Conservation District Renewal	231,121	1.99	0.00
		231,121	1.99	0.00
Financial Reorganization of WLRD				
TA01	Financial Reorganization	11,819,269	112.40	5.50
TA02	Admin Cost Distribution	497,692	0.00	0.00
		12,316,961	112.40	5.50
Regional Role				
RB05	Shoreline Master Plan	(1,099)	0.02	0.00
		(1,099)	0.02	0.00
Revenue Reduction				
DS02	KCD Sunset	(174,272)	(1.99)	0.00
DS03	SWM Reductions	(955,938)	(3.52)	0.00
		(1,130,210)	(5.51)	0.00
Technical Adjustment				
PC01	City Service Contracts	58,264	0.00	0.00
TA03	Misc Technical Changes	4,025,460	0.00	0.00
TA04	FTE addition/TLT eliminations and PBRs TLT Correction	(46,534)	4.00	(4.50)
CR01	Flexible Benefits	(85,560)	0.00	0.00
CR05	Current Expense Overhead Adjustment	331,442	0.00	0.00
CR06	Healthy Workplace Fund	2,848	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	72,040	0.00	0.00
CR13	Motor Pool Usage Charge	14,244	0.00	0.00
CR16	Radio Access	252	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	107,438	0.00	0.00
CR21	Debt Service Adjustment	9,471	0.00	0.00
CR25	Financial Services Charge	189,534	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(9,063)	0.00	0.00
CR28	Equipment Repair and Replacement	455,552	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance	19,600	0.00	0.00
CR39	COLA Adjustment	301,233	0.00	0.00
CR40	Merit Adjustment	180,086	0.00	0.00
		5,626,307	4.00	(4.50)
2006 Proposed Budget		21,806,322	112.90	1.00
% Change over Adopted		403.39%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources Division (WLRD) (Formerly the Rural Drainage Program (RDP) Subfund 1211 Now the Surface Water Management (SWM) Local Drainage Subfund 1211)

WLRD has a number of dynamics affecting the 2006 Executive Proposed Budget. First is a financial reorganization of Funds 1210 and 1211 to increase transparency and better align resources along regional and local service areas. This reorganization shifts staff and resources providing the local services that are supported by the Surface Water Management (SWM) fee to a dedicated fund. The reorganization will make Fund 1211 dedicated to local SWM services, while Fund 1210 will be dedicated to regional services. Major revenue sources for the SWM Local Drainage Subfund will include SWM fees, interlocal agreements for SWM services to incorporated cities, and grants. This reorganization includes no cuts to expenditures or staff, but would shift 112.4 FTEs from Fund 1210 to Fund 1211. Second, the 2006 Proposed Budget for WLRD responds to a number of expected declines in major revenue sources, including the potential annexations of the Klahanie and South Cove areas, the King Conservation District (KCD) fee sunset, and SWM reductions. The King Conservation District (KCD) fee is currently under review for renewal and as a result is added back into the budget. Finally, WLRD's 2006 Proposed Budget realigns resources to focus on enhancing its regional role in salmon conservation and watershed management.

Financial Reorganization of WLRD

WLRD identified the need to implement a financial reorganization to clearly delineate regional activities and the local Surface Water Management (SWM) program. This is achieved by using separate funds for regional and local services.

Reorganization Transfers In - \$11,819,269, 112.40 FTEs and 5.50 TLTs. This proposal reflects technical changes that move revenues and expenditures from Fund 1210 to Fund 1211, as outlined above. The change does not represent any reductions in staff or expenditures for the agency.

Administrative Cost Distribution to Fund 1211 - \$497,692. This proposal represents a technical reallocation of department overhead costs that would be moved to Fund 1211. This also includes Business and Occupation taxes levied on SWM charge receipts that were formerly budgeted in Fund 1210.

Annexation

Pending voter approval, if the Klahanie and South Cove areas are annexed to the City of Issaquah on March 2, 2006, WLRD has identified a loss of over \$436,000 in revenue. The division has identified areas of direct expenditures savings in Funds 1210 and 1211. The remaining revenue loss is reflected in other SWM reductions below.

Klahanie/South Cove Potential Annexations - (\$165,886). This proposal reduces the services provided through the SWM Local Drainage Fund as a result of the anticipated annexation of the Klahanie and South Cove areas, including direct programmatic expenditures, as well as supporting administrative and central costs.

Revenue Reduction

A driving dynamic for developing the WLRD 2006 budget was the potential for revenue reductions. Most significant included expiration of the current \$5 per parcel KCD fee, the WRIA Services ILAs, and annexations which reduced available SWM fees. WLRD identified reductions of expenditures and staff directly related to the loss of these sources of funding. Subsequently, some of these reductions, most notably the KCD assessment and WRIA Services interlocal agreements, were added back based on assumed renewal of the assessment and final implementation of extended WRIA interlocal agreements.

King Conservation District Fee Sunset - (\$174,272) and (1.99) FTEs. This proposal would reduce

PHYSICAL ENVIRONMENT PROGRAM PLAN

the programming associated with the King Conservation District (KCD) assessment, which sunsets at the end of 2005 and requires action by the King County Council to reauthorize. Pending reauthorization, programs funded through this assessment are reduced. All proposed 2006 expenditures that depend on this revenue are proposed in the KCD Fee Renewal increases below.

SWM Reductions - (\$955,938) and (3.52) FTEs. These reductions were necessary in order to meet SWM revenue targets and to free up adequate resources to fund King County's share to extend the WRIA services ILA in 2006. Administrative reductions include the LAWS section manager position, .5 FTE in the CIP unit, 1.0 FTE in the Rural Programs section, and 1.0 FTE in the Stormwater Services section. In addition, the SWM Pay-As-You-Go Capital Improvement Project (PAYG CIP) transfer is reduced by \$369,000. This reduction leaves WLRD's CIP transfers equal to 30% of annual estimated SWM revenues.

Agreement Renewal

The WRIA Forum Interlocal Agreements (ILAs) are due to end in December 2005. New draft agreements for implementation of salmon recovery plans will be forwarded to the King County Council for review and approval. The draft agreements for WRIAs 8 and 9 will extend those forums for one year, pending identification of future funding. The draft agreement for WRIA 7 is for a five-year period.

Water Resource Inventory Areas (WRIA) Services Agreement Renewal - \$596,916. This proposal provides funding for the WRIA Services Unit, which supports salmon recovery in the three major watersheds of King County, in the form of a transfer of SWM funds to support King County's ILA share for each of the WRIAs.

Fee Renewal

While the King Conservation District fee is slated to sunset in December 2005, this fee is under consideration for renewal for 2006. The 2006 Executive Proposed Budget assumes the fee will be renewed at \$10 per parcel, with a new allocation of \$6 (to the WRIA forums), \$2 (to support the KCD's activities), and \$2 (to the participating jurisdictions).

King Conservation District Renewal - \$231,121 and 1.99 FTEs. This proposal reintroduces the programming associated with the King Conservation District (KCD) that is reduced above in the KCD Sunset. This renewal includes the King County share of rural agricultural programs and Puget Sound Fresh.

Regional Role

WLRD identified a growing need for regional environmental services to protect water and land resources, particularly in light of regional Salmon Conservation Plans and watershed management. The division's business plan goals include serving in a leadership role in this area.

Shoreline Master Plan (SMP) - (\$1,099) and .02 FTE. This proposal supports an update of the 1975 King County Shoreline Management Program (SMP). State law requires King County to complete the SMP update by December 2009. This change represents labor loaned out to Fund 1210 to accomplish this program.

Technical Adjustments

City Service Contracts - \$58,264. This proposal would increase expenditures needed to perform WLRD's contracts with local jurisdictions to perform stormwater services for cities.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Miscellaneous Technical Adjustments - \$4,025,460. This proposal represents miscellaneous technical adjustments, primarily related to changes in burden rates and interfund transfers for labor exchanged between this fund and Fund 1210.

FTE Additions/TLT Eliminations and Public Benefit Rating System TLT Correction – (\$46,534), 4.00 FTEs and (4.50) TLTs. This represents annual technical adjustments to align the program and staff with ongoing bodies of work, including an FTE each in Acquisitions, Basin Stewardship, Natural Lands and Forestry. In addition, this includes a technical adjustment to eliminate .5 TLT and associated salary which erroneously were left in the WLRD budget at the PSQ stage.

Central Rate Adjustments

Central Rate Adjustments – \$1,589,117. Central rate adjustments include CX Overhead, ITS O and M and Infrastructure, PAO, Finance, Motor Pool, Radio charges, LTGO Debt Insurance, Flex Benefits, Industrial Insurance, Debt Service, Equipment Repair and Replacement, Healthy Workplace Fund, Merit and COLA. Many of these adjustments reflect the transfer of portions of central rate costs to Fund 1211 as part of the overhead allocation due to WLRD's financial reorganization.

Water and Land Resources - Rural Drainage Fund 1211

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	337,002	143,362	206,885	526,417	423,601	866,893
Revenues						
* SWM Fees	4,180,055	4,129,607	4,124,109	19,062,683	17,337,858	14,053,331
* Current Expense				227,742	234,574	241,611
* Other Revenues	37,919	147,664	51,000	1,963,081	2,021,973	2,082,633
*						
Total Revenues	4,217,974	4,277,271	4,175,109	21,253,506	19,594,406	16,377,575
Expenditures						
Operating Expenditures	(2,896,682)	(2,881,854)	(2,881,854)	(16,162,985)	(16,647,875)	(17,147,311)
CIP PAYG	(1,451,409)	(1,450,000)	(1,450,000)	(3,937,522)	(3,495,542)	(2,510,184)
CIP Debt Service				(1,705,815)	(1,705,815)	(1,705,815)
Carryover			(25,000)			
Total Expenditures	(4,348,091)	(4,331,854)	(4,356,854)	(21,806,322)	(21,849,232)	(21,363,310)
Estimated Underexpenditures		100,000	100,000	450,000	415,000	330,000
Other Fund Transactions						
FB Transfer from 1210 to 1211			401,277			
Operating Reductions to Meet Min Target					2,283,118	4,491,509
Total Other Fund Transactions	0	0	401,277	0	2,283,118	4,491,509
Ending Fund Balance	206,885	188,779	526,417	423,601	866,893	702,667
Reserves & Designations						
Reserve for Carryover	(25,000)					
Total Reserves & Designations	(25,000)	0	-	0	-	-
Ending Undesignated Fund Balance	181,885	188,779	526,417	423,601	866,893	702,667
Target Fund Balance ⁴	204,000	206,450	206,450	953,134	866,893	702,667

Financial Plan Notes:

¹ 2004 Actuals are from the 2004 CAFR.

² 2005 Estimated is based on 2nd Quarter financial plan updates

³ Revenues: SWM reductions based on annexation schedule from OMB. All other revenues are assumed to grow by 3% annually.

³ Expenditures: Operating expenditures are assumed to increase by inflation factor of 3%. CIP PAYG and Debt Service are equal to 30% of annual estimated SWM revenue.

⁴ Target fund balance is 5% of annual estimated SWM fees

PHYSICAL ENVIRONMENT PROGRAM PLAN

River Improvement 1050/0740

Code/Item Description	Expenditures	FTEs *	TLTs	
Program Area	2005 Adopted	4,199,573	12.50	0.33
PE	Status Quo **	1,674	0.00	0.00
	Status Quo Budget	4,201,247	12.50	0.33
Flood Protection				
PC02	Flood Hazard Management Plan Implementation	(117,110)	(0.29)	0.00
PC03	CIP and Maintenance Funding Increase	265,453	0.00	0.00
PC04	Facility Inventory and Risk Assessment	113,428	0.00	0.00
		261,771	(0.29)	0.00
Regional Role				
PC05	Shoreline Master Plan Update	(25,213)	0.29	0.00
		(25,213)	0.29	0.00
Technical Adjustment				
TA01	Technical Adjustments	(172,525)	0.00	0.00
CR01	Flexible Benefits	(9,672)	0.00	0.00
CR05	Current Expense Overhead Adjustment	2,281	0.00	0.00
CR06	Healthy Workplace Fund	296	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(61)	0.00	0.00
CR08	Technology Services Infrastructure Charge	322	0.00	0.00
CR11	Telecommunications Services	(5,167)	0.00	0.00
CR12	Telecommunications Overhead	395	0.00	0.00
CR13	Motor Pool Usage Charge	(965)	0.00	0.00
CR16	Radio Access	74	0.00	0.00
CR19	Radio Reserve Program	(5)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	12,917	0.00	0.00
CR21	Debt Service Adjustment	5	0.00	0.00
CR25	Financial Services Charge	(1,939)	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(635)	0.00	0.00
CR28	Equipment Repair and Replacement	(59,332)	0.00	0.00
CR39	COLA Adjustment	8,498	0.00	0.00
CR40	Merit Adjustment	(3,498)	0.00	0.00
CR46	Countywide Strategic Technology Projects	730	0.00	0.00
		(228,281)	0.00	0.00
WLRD Business Plan Implementation				
PC01	Elimination - Section Manager	(121,212)	(1.00)	0.00
		(121,212)	(1.00)	0.00
	2006 Proposed Budget	4,088,312	11.50	0.33
	% Change over Adopted	-2.65%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – River Improvement Fund (RIF)

WLRD's 2006 Proposed Budget for the River Improvement Fund focuses on enhancing its regional role in watershed management and flood protection. In addition, the budget introduces efficiencies driven by the 2005-2010 Business Plan through an administrative reorganization that combines two sections in order to eliminate one section manager position.

Flood Protection

Reducing flood hazards is a core business for WLRD, and their business plan identified an increasing need for regional environmental services to protect water and land resources, particularly in light of the regional Flood Hazard Reduction plan that is nearing completion.

Flood Hazard Management Plan Implementation - (\$117,110) and (0.29) FTE. This proposal reprioritizes staff to implement adopted policies, program and project recommendations in support of King County's flood hazard reduction goals and objectives through implementation of the Flood Hazard Management Plan (FHMP). The FHMP directly supports the core business goals of the Department of Natural Resources and Parks and WLRD.

CIP and Maintenance Funding Increase - \$265,453. This proposal increases funding for maintenance, repair and capital improvement projects on existing levees and revetments on King County's 475 flood protection facilities along the major river systems (South Fork, Skykomish, Snoqualmie, Sammamish, Cedar, Green, White and Greenwater). This proposal emphasizes WLRD's commitment to ensure the long-term structural integrity of King County's flood protection facilities and to continue public health and safety measures for flood hazard management protection.

Facility Inventory and Risk Assessment - \$113,428. This proposal includes funding for two work phases to assess the condition of King County's flood protection facilities. The first phase is a comprehensive facility inventory of King County's 475 levees and revetments to assess and determine maintenance and repair needs. The second phase is select risk assessments and analyses of high risk areas to determine the annual exceedence probability (the probability that land will be flooded from failure of a flood control facility) and the cost of damage due to overland flooding.

Regional Role

WLRD identified a growing need for regional environmental services to protect water and land resources, particularly in light of regional watershed management. The division's business plan goals include serving in a leadership role in this area.

Shoreline Master Plan (SMP) Update – (\$25,213) and 0.29 FTE. This proposal supports an update of the 1975 King County Shoreline Management Program (SMP). State law requires King County to complete the SMP update by December 2009. This change represents labor loaned out to Fund 1210 to accomplish this program. (The negative expenditure is due to loan-out labor to the Shared Services Fund 1210.)

WLRD Business Plan Implementation

WLRD's 2005 Business Plan identified the need for a small administrative reorganization to increase efficiencies and decrease overhead by consolidating several sections in order to eliminate a total of 5.5 FTEs (2 section managers and 3.5 administrative positions) for the Water and Land Resources Division.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Elimination of River/Water Resources Section Manager - (\$121,212) and (1.00) FTE. This proposal eliminates the River/Water Resources Section Manager position in response to the Water and Land Resources Division's 2005-2010 Business Plan, which set a goal to consolidate sections in order to reduce two sections and the associated section managers. The former Rivers Section will be merged into the new Regional Services Section. The division will continue to maintain a working unit in the Regional Services Section dedicated to the Rivers program, including flood emergency preparedness.

Technical Adjustments

Technical Adjustments - (\$172,525). This proposal allows for routine annual adjustments as part of the zero-based budget process.

Central Rates Adjustments – (\$55,756). Central rate adjustments include CX Overhead, ITS Infrastructure and O and M, Telecommunications Services and Overhead, Finance, Motor Pool, Radio Charges, Flex Benefits, Equipment Repair and Replacement, PAO, Debt Service, Countywide Strategic Technology Projects, Industrial Insurance, Healthy Workplace Fund, Merit and COLA.

River Improvement Fund 1050

	2004 Actual ¹	2005 Adopted ³	2005 Estimated ²	2006 Proposed ³	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	792,786	509,924	734,326	331,039	328,711	252,394
Revenues						
River Improvement Levy	2,505,487	2,560,984	2,560,984	2,625,009	2,690,634	2,757,900
GRFCZD Support	1,284,868	836,663	836,663	1,041,975	850,000	852,640
Other Revenue (Grants, Intragovernmental, Misc)	7,198	454,064	639,962	269,000	65,000	65,000
Sale of Capital Assets	3,970					
Total Revenues	3,801,523	3,851,711	4,037,609	3,935,984	3,605,634	3,675,540
Expenditures						
Operating Expenditures	(3,859,983)	(4,199,573)	(4,199,573)	(4,088,312)	(3,681,950)	(3,670,646)
Encumbrance Carryover & Work Auth			(402,163)			
2nd Quarter 05 Supplemental			(63,046)			
2nd Quarter Omnibus Disappropriation			13,886			
Total Expenditures	(3,859,983)	(4,199,573)	(4,650,896)	(4,088,312)	(3,681,950)	(3,670,646)
Estimated Underexpenditures⁴	0	150,000	210,000	150,000		
Other Fund Transactions						
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	734,326	312,062	331,039	328,711	252,394	257,288
Reserves & Designations						
Reserve for Encumbrance Carryover & Work Auth	(402,163)					
Total Reserves & Designations	(402,163)	0	0	0	0	0
Ending Undesignated Fund Balance	332,163	312,062	331,039	328,711	252,394	257,288
Target Fund Balance⁵	274,321	269,620	269,620	275,519	252,394	257,288

Financial Plan Notes:

¹ 2004 Actuals are from the final 2004 CAFR.

² 2005 Estimated is based on adopted plus actual RIF levy and supplementals and carryovers. Grant revenue includes revenue for encumbrance carryovers.

³ 2007 and 2008 revenue projections continue revenue trends of 2.5% RIF levy increase and 1% GRFCZD levy increase (GRFCZD amount decreases from 2006 due to one-time use of GRFCZD fund balance.) The RIF levy is allowed to grow by the IPD plus estimated new construction. 2006 proposed expenditures will decrease due to 05 use of RIF and GRFCZD fund balances.

⁴ Underexpenditures increased by \$60,000 due to unneeded budget reappropriation request for 2005.

⁵ Target fund balance is based on 7% of total adopted revenues.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Inter-County River Improvement 1820/0760

Code/Item Description		Expenditures	FTEs *	TLTs
Program Area				
PE				
	2005 Adopted	124,925	0.00	0.00
	Status Quo **	(76,526)	0.00	0.00
	Status Quo Budget	48,399	0.00	0.00
Technical Adjustment				
TA01	Technical Adjustments	5,965	0.00	0.00
CR25	Financial Services Charge	(1,379)	0.00	0.00
		4,586	0.00	0.00
	2006 Proposed Budget	52,985	0.00	0.00
	% Change over Adopted	-57.59%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – Intercounty River Improvement (ICRI)

Technical Adjustments

Technical Adjustments - \$5,965. This proposal allows for routine annual adjustments as part of the zero-based budget process.

Central Rate Adjustments - (\$1,379). Central rate adjustments include the Finance Services Charge.

Intercounty River Improvement Fund 1820

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	80,693	101,843	119,845	45,420	43,440	30,955
Revenues						
* Inter-County River Improvements Levy	49,205	50,500	50,500	51,005	51,515	52,030
* Other Revenue	2,053					
*						
Total Revenues	51,258	50,500	50,500	51,005	51,515	52,030
Expenditures						
* Operating Expenditures	(12,184)	(124,925)	(124,925)	(52,985)	(64,000)	(70,400)
*						
*						
Total Expenditures	(12,184)	(124,925)	(124,925)	(52,985)	(64,000)	(70,400)
Estimated Underexpenditures						
Other Fund Transactions						
* Sale of Capital	78					
*						
Total Other Fund Transactions	78	0	0	0	0	0
Ending Fund Balance	119,845	27,418	45,420	43,440	30,955	12,585
Reserves & Designations						
*						
*						
*						
Total Reserves & Designations	0	0	0	0	0	0
Ending Undesignated Fund Balance	119,845	27,418	45,420	43,440	30,955	12,585
Target Fund Balance⁴						

Financial Plan Notes:

¹ 2004 Actuals are from the final 2004 CAFR.

² 2005 Estimated is based on estimated expenditures as of June, 2005.

³ 2007 and 2008 expenditures are expected to increase to implement recommendations from White/Puyallup River General Investigation being conducted by the U.S. Army Corps of Engineers.

⁴ No minimum target fund balance policy has been established.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Noxious Weed Control Program 1311/0384

Code/Item Description		Expenditures	FTEs *	TLTs	
Program Area		2005 Adopted	1,172,602	6.00	5.36
PE		Status Quo **	10,845	0.00	0.00
Status Quo Budget		1,183,447	6.00	5.36	
Technical Adjustment					
TA01	Technical Adjustments	96,770	5.36	(5.36)	
CR01	Flexible Benefits	(8,432)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	2,924	0.00	0.00	
CR06	Healthy Workplace Fund	284	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(450)	0.00	0.00	
CR13	Motor Pool Usage Charge	(376)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	2,524	0.00	0.00	
CR25	Financial Services Charge	(1,072)	0.00	0.00	
CR27	Industrial Insurance Rate Adj.	(1,276)	0.00	0.00	
CR28	Equipment Repair and Replacement	(23,681)	0.00	0.00	
CR29	Wastewater Vehicles	1,332	0.00	0.00	
CR39	COLA Adjustment	5,855	0.00	0.00	
CR40	Merit Adjustment	(412)	0.00	0.00	
CR46	Countywide Strategic Technology Projects	638	0.00	0.00	
		74,628	5.36	(5.36)	
2006 Proposed Budget		1,258,075	11.36	0.00	
% Change over Adopted		7.29%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – Noxious Weed Control Program

The Noxious Weed Board had originally planned to seek a fee increase for 2006 for the Noxious Weed Control Program. However, sound financial management practices by WLRD mean that the Noxious Weed Control Program can maintain a stable fee until 2007.

Technical Adjustments

Technical Adjustments - \$96,770. This proposal allows for routine annual adjustments as part of the zero-based budget process.

Central Rate Adjustments – (\$22,142). Central rate adjustments include CX Overhead, Finance, Equipment Repair and Replacement, Countywide Strategic Technology Projects, PAO, Industrial Insurance, Wastewater Vehicles, Motor Pool, ITS Infrastructure, COLA, Healthy Workplace Fund and Flex Benefits.

Noxious Weed Fund 1311

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	298,115	252,166	310,052	317,891	82,482	(231,577)
Revenues						
Noxious Weed Fee	930,958	959,725	950,000	992,000	1,001,920	1,011,939
Interest Income	6,964	10,420	7,000	5,666	5,000	5,000
Other Income - US Fish & Wildlife grant	41,861			25,000		
Other Income - Misc		20,000	5,929			
Total Revenues	979,783	990,145	962,929	1,022,666	1,006,920	1,016,939
Expenditures						
Operating Expenditures	(967,846)	(1,172,602)	(1,172,602)	(1,258,075)	(1,320,979)	(1,387,028)
Encumbrance Carryover			(7,804)			
2nd Quarter Omnibus Disappropriation			5,316			
Total Expenditures	(967,846)	(1,172,602)	(1,175,090)	(1,258,075)	(1,320,979)	(1,387,028)
Estimated Underexpenditures ⁵		64,000	220,000	0	0	0
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	310,052	133,709	317,891	82,482	(231,577)	(601,665)
Reserves & Designations						
Reserve for Encumbrance Carryover	(7,804)					
Reserve for Carryover Ordinance						
Reductions to meet minimum target FB					331,769	702,859
Total Reserves & Designations	(7,804)	0	0	0	331,769	702,859
Ending Undesignated Fund Balance	302,248	133,709	317,891	82,482	100,192	101,194
Target Fund Balance ⁴	93,096	95,973	95,000	99,200	100,192	101,194

Financial Plan Notes:

¹ 2004 Actuals are from the final 2004 CAFR.

² 2005 Estimated is based on adopted plus carryovers, and adjusted based on June 2005 projections. Other income includes revenue for encumbrance carryovers.

³ 2007 and 2008 NW fees estimated to increase by 1% due to increased number of parcels. Expenditures are assumed to increase by 5% annually.

⁴ Target fund balance is based on 10% of total adopted revenues.

⁵ Estimated underexpenditures for 2005 has been increased to allow for lower revenues than expected and to carry more fund balance into 2006.

Transportation

[Link to Department of Transportation Organizational Chart, 9 KB .pdf](#)

T R A N S P O R T A T I O N

Mission **Transportation**

To improve the quality of life for the citizens of King County by providing mobility in a way that protects the environment, helps to manage growth and reduces traffic congestion.

ISSUES AND PRIORITIES

The King County Department of Transportation's (DOT) 2006 Executive Proposed Budget reflects a continuing need to address the transportation priorities of King County efficiently and economically within funding constraints. This has required prudent financial management on the part of all DOT divisions in order to preserve services to the community.

For 2006, the DOT Director's Office will focus efforts on improving DOT's preparedness to respond to emergencies. The Roads Division is emphasizing strategies to preserve and enhance existing road capacity while continuing to face revenue constraints. The King County International Airport continues to maintain basic operations in the face of declining revenues. The Transit Division will offer expanded bus service to the eastern and southern parts of King County thanks in part to rebounding sales tax revenues, but also struggles to absorb the costs of the recent unprecedented increases in the price per gallon of diesel fuel and gasoline. Sound financial management by the Transit Division will allow the agency to delay seeking a fee increase until 2008.

The Director's Office will continue to provide leadership, advocacy and support for the Department, its customers and the community. The DOT Director's Office will work in 2006 to improve DOT's preparedness to respond to emergencies.

The Transit Division expects to continue seeing increases in ridership in 2006. With the economic recovery and the increased cost of gasoline, boardings on Metro Transit grew by 2.1% in 2004 after three years of declines or no growth. Given current economic assumptions, Transit expects to see continued modest gains in ridership as a result of regional employment growth and increasing gasoline prices. Transit forecasts ridership growth of about 1.6% in 2005, 2.0% in 2006, and 1.2% in 2007.

In recent years, Transit has not had the resources to add and sustain increased service levels. In 2006, despite the impact of increasing costs, particularly diesel fuel, Transit has been able to fund 17,800 more bus hours than anticipated last year. This is made possible through continually reviewing costs and controlling those costs that Transit is able to control. The implementation of these new hours will be consistent with the policies adopted in the Six-year Service Plan (2002-2007). Despite the service expansion projected for 2006, Transit is not expecting to reach the service levels noted in the Six-year Service Plan until 2015. This is largely due to the long-term effects of the recent recession and current price increases associated with items like diesel fuel and benefits. Diesel fuel costs for 2006 are anticipated to increase 58% over 2004 levels, and 2004 prices represented a 32% increase above 2003 levels.

Transit expects the cost of diesel fuel will continue to increase in the near term, averaging \$2.20 per gallon in 2006. Gasoline prices are expected to average \$2.25 per gallon. In addition, increased worker's compensation, health care and retirement costs have resulted in increases that outpace inflation. Transit has taken steps to contain costs that are within its control in an effort to delay the time when a fare increase is required to sustain existing service levels. Because fare revenue has not kept pace with increasing costs, Transit continues to experience a decline in the ratio of operating revenue to operating expenses. In 2006, a 21.4% ratio is anticipated, well below the established target of 25%. Transit has not had a fare increase since 2001 and does not anticipate seeking an increase until 2008. While Transit has been able to do this without reducing service, it has limited the amount of service that can be added to the system.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Services Division strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements while ensuring the preservation of the existing transportation system.

The 2006 Executive Proposed Budget for the Road Services Division focuses on their core businesses of protecting the current road infrastructure, improving traffic and arterial use efficiencies, and focusing on environmental initiatives. In addition, the 2006 Executive Proposed Budget responds to the \$3.2 million revenue loss due to the anticipated annexations of Klahanie and South Cove to the City of Issaquah.

King County International Airport (KCIA) supports the economic vitality of the County, the National Air Transportation System, and provides safe and continuous general aviation airport services.

The KCIA 2006 Proposed Operating Budget assumes that operations in 2006 will remain essentially the same as for 2005. The budget does not include any redevelopment proposals or major changes in operating structure, including the provision of Airport Rescue and Fire Fighting (ARFF) services. In order to keep pace with increased costs of basic operations, KCIA is proposing fee increases consistent with rates and charges at other comparable airports in the area. The Airport is also anticipating increases in lease revenues for non-Boeing leases. However, due to runway repair at the Airport, certain fee revenues will decrease, causing total Airport revenues to drop slightly from 2005. The Airport is anticipating a reversal of this revenue decline in 2007, once the runway repairs are complete.

Fleet Administration will continue to provide quality and responsive vehicle services, parts, road materials and supplies at competitive cost to customers.

As its customers contend with change dynamics in the form of financial resource limitations, Fleet Administration continues to assist in the management of fleet costs. In 2006, Fleet is challenged to minimize the customer rate impact amidst rising fuel costs and an increase in debt service resulting from the Motor Pool Shop and Personal Property Surplus move to the Orcas Street location

PHYSICAL ENVIRONMENT PROGRAM PLAN

DOT Director's Office 4640/5010M

Code/ Item Description	Expenditures	FTEs *	TLTs	
Program Area				
<i>PE</i>	2005 Adopted	4,843,533	33.00	3.00
	Status Quo **	305,827	0.00	0.00
	Status Quo Budget	5,149,360	33.00	3.00
Security and Emergency Response				
RB01	Emergency Preparedness TLT	91,543	0.00	1.00
		91,543	0.00	1.00
Technical Adjustment				
RB08	Loan Out Labor Adjustments	(7,627)	0.00	0.00
TA01	Technical Adjustments	(17,632)	0.00	(1.00)
TA03	Revenue Adjustments	0	0.00	0.00
CR01	Flexible Benefits	(26,784)	0.00	0.00
CR05	Current Expense Overhead Adjustment	48,280	0.00	0.00
CR06	Healthy Workplace Fund	900	0.00	0.00
CR08	Technology Services Infrastructure Charge	(1,396)	0.00	0.00
CR09	Geographic Information Systems Charge	19,093	0.00	0.00
CR13	Motor Pool Usage Charge	(1,616)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(118,577)	0.00	0.00
CR22	Long Term Leases	(52,015)	0.00	0.00
CR36	Property Services Lease Administration Fee	299	0.00	0.00
CR39	COLA Adjustment	33,863	0.00	0.00
CR40	Merit Adjustment	(254)	0.00	0.00
CR46	Countywide Strategic Technology Projects	2,022	0.00	0.00
		(121,444)	0.00	(1.00)
	2006 Proposed Budget	5,119,459	33.00	3.00
	% Change over Adopted	5.70%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

P R O G R A M H I G H L I G H T S

Director's Office

The DOT Director's Office will continue in 2006 to provide Department-wide leadership, advocacy and support for all DOT divisions. The DOT Director's Office will work in 2006 to improve DOT's preparedness to respond to emergencies.

Security and Emergency Response

To improve coordination and integration of security, emergency preparedness, and response and recovery activities to more effectively meet future demands, including federal mandates.

Temporary Emergency Preparedness Position -- \$91,543/ 1.00 TLT. This position supports the Department of Transportation's goal to provide safe, reliable, convenient and efficient public transit, roads and aviation services. As described in the DOT Business Plan, physical security and emergency response are key critical near-term challenges that the Department faces. The Emergency Preparedness TLT will support development, coordination and integration of emergency preparedness, response, and recovery planning for the DOT.

Technical Adjustments

Loan-Out Labor Adjustments -- (\$7,627). This proposed budget adjustment supports a minor \$7,627 reduction to the Loan-Out Labor account.

Technical Adjustments -- (\$17,632)/ (1.00) TLT. This proposed budget adjustment supports miscellaneous adjustments that net to a \$17,632 reduction. The adjustments include transferring budget authority between cost centers and adjustments in other internal costs.

Central Rate Adjustments -- (\$96,185). The 12 central rates applicable to the Director's Office include reductions and increases that net to a reduction of \$96,185. Central rate adjustments include: OIRM, ITS Infrastructure, CX Overhead, GIS O&M, Long Term Leases and Lease Administration Fee, COLA, Merit, Flex Benefits, Healthy Workplace Fund, Prosecuting Attorney, and Motor Pool.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit 4640/5000M

Code/Item Description	Expenditures	FTEs *	TLTs	
Program Area	2005 Adopted	431,957,411	3,707.43	69.26
PE	Status Quo **	22,614,145	46.62	0.00
	Status Quo Budget	454,571,556	3,754.05	69.26
Access Services				
RB02	Access Service	598,078	0.00	0.00
		598,078	0.00	0.00
Bus Service				
RB01	Bus Service	1,010,080	9.64	(1.00)
		1,010,080	9.64	(1.00)
Financial Challenges				
TA05	Fuel Increases	5,673,339	0.00	0.00
		5,673,339	0.00	0.00
Light Rail Start-up Costs				
RB04	Central Link Operations - Start-up Costs	1,866,176	19.73	0.71
		1,866,176	19.73	0.71
Security and Emergency Response				
RB06	Transit Police	159,327	0.00	0.00
		159,327	0.00	0.00
State and Federal Funding				
RB05	Special Needs WSDOT Grants - Access	95,303	0.00	0.00
RB09	Low Income Car Sharing	1,500,000	0.00	0.00
RB10	Operating Grants	(128,655)	(1.00)	0.00
		1,466,648	(1.00)	0.00
Technical Adjustment				
RB08	CIP Staffing Changes	(383,916)	1.61	1.61
TA01	Technical Adjustments	111,561	(0.80)	(1.00)
TA02	PSQ Adjustments	1,067,286	3.77	0.00
CR01	Flexible Benefits	(3,079,474)	0.00	0.00
CR05	Current Expense Overhead Adjustment	666,011	0.00	0.00
CR06	Healthy Workplace Fund	109,100	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(136,841)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(51,318)	0.00	0.00
CR09	Geographic Information Systems Charge	21,150	0.00	0.00
CR11	Telecommunications Services	17,801	0.00	0.00
CR12	Telecommunications Overhead	(99,824)	0.00	0.00
CR13	Motor Pool Usage Charge	(14,211)	0.00	0.00
CR14	Facilities Management Space Charge	15,906	0.00	0.00
CR15	Insurance Charges	(476,516)	0.00	0.00
CR16	Radio Access	532	0.00	0.00
CR19	Radio Reserve Program	(204)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	114,600	0.00	0.00
CR22	Long Term Leases	(170,404)	0.00	0.00
CR25	Financial Services Charge	324,214	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(646,478)	0.00	0.00
CR34	Fixed Asset Data Management	1,266	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit 4640/5000M

CR36	Property Services Lease Administration Fee	4,481	0.00	0.00
CR39	COLA Adjustment	1,606,093	0.00	0.00
CR40	Merit Adjustment	(6,629)	0.00	0.00
CR46	Countywide Strategic Technology Projects	212,067	0.00	0.00
		(793,747)	4.58	0.61
Vanpool Ridership				
RB03	Vanpool Service	116,546	(1.00)	0.00
		116,546	(1.00)	0.00
Waterfront Streetcar				
RB11	Waterfront Streetcar	(616,116)	(10.90)	0.00
		(616,116)	(10.90)	0.00
2006 Proposed Budget		464,051,887	3,775.10	69.58
% Change over Adopted		7.43%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Division

The majority of increases in Transit's 2006 Executive Proposed Budget are one-time and/or funded with additional dedicated revenues. The proposals are modest and represent increases to service levels. A modest increase in bus service above previously projected levels has been funded through reductions identified throughout the budget and the cost of fuel was adjusted based on current information. Other increases support service changes in the Access and Vanpool programs, as well as continued start-up activities for Central Link Light Rail Operations and participation in the Low Income Car Sharing program through grant agreements.

Access Services

Access ridership continues to increase as a result of an aging, growing population and a very low fare.

Access Service - \$598,078. This increase will allow Access to maintain the paratransit program at the service level described in the Americans with Disabilities Act (ADA) plan. It funds a total of 638,541 hours of paratransit service in 2006, supporting 1.14 million rides – 3% over 2005 projected rides and increasing the number of rides per vehicle service hour to 1.78 in 2006 – 2.3% over 2005 projected rides per vehicle service hour. The increase in ridership, contract costs, fuel costs contribute to the projected increase in Access costs for 2006.

Bus Service

Implementation of new hours of service will be consistent with the policies adopted in the Six-year Service Plan (2002-2007).

Bus Service - \$1,010,080, 9.64 FTEs and (1.00) TLT. The Transit budget reflects an additional 26,803 budget hours, resulting from increased service for Sound Transit, Metro bus service and maintenance. It also reflects increases for Dial A Ride Transit (DART) service due to scheduled increases in contractual costs and projected increases in the cost of fuel. The service increases are in the eastern and southern parts of King County. In 2006, Transit will provide 3.8 million hours of bus service, driving 48 million miles. The requested staffing increase includes 8.34 Transit Operators, a Utility Service Worker and .3 Mechanics.

Financial Challenges

The cost of diesel fuel and gasoline are important components of Transit's overall cost of operations. Fuel costs are rising significantly faster than inflation.

Fuel Increases - \$5,673,339. In PSQ, diesel fuel prices were increased to \$1.75 per gallon and gasoline prices were increased to \$1.80. Based on current information, the 2006 Executive Proposed Budget increases diesel to \$2.20 and gasoline to \$2.25 per gallon. It also includes additional funding for reimbursement for fuel used in the provision of DART service.

Light Rail Start-up Costs

Transit began start-up activities for operating Sound Transit's Central Link light rail line. In the next few years Transit will be developing new capacity and business processes to implement this new line of business.

Central Link Operations – Start-up Costs - \$1,866,176, 19.73 FTEs and .71 TLT. In 2003, King County and Sound Transit negotiated an agreement for King County to operate the Central Link light rail line. While passenger service on the light rail system is not anticipated to occur until 2008, significant planning and development activities are required to ensure that the system is operated effectively. In 2005, hiring of staff began to complete system design and testing. To complete development of the operational plans for the light rail system in 2006, King County will hire key staff, includ-

PHYSICAL ENVIRONMENT PROGRAM PLAN

ing the Link System Manager and Supervisors for the Operations, Vehicle Maintenance and Facilities Maintenance groups. Budget assumptions are based on a tentative hiring plan and start-up tasks that will be negotiated with Sound Transit. 16.4 FTEs are associated with the baseline operation of Central Link service. 3.33 FTEs and .71 TLT are associated with providing dedicated resources within Transit to support light rail operations. Sound Transit will reimburse King County for any costs incurred that support the Central Link Light Rail operation and start-up costs.

Security and Emergency Response

DOT aspires to provide integrated countywide services, products and facilities that are safe, reliable, convenient and efficient.

Transit Police - \$159,327. In 2006, Transit will reduce the number of transit policing hours currently provided by off-duty Seattle Police Department (SPD) Officers in favor of King County Sheriff's Office (KCSO) Deputies. This will allow KCSO to retain 12 deputies from the previously grant-funded Violent Crimes Review Team.

State and Federal Funding

Support from the state and federal governments continue to be an integral part of the funding picture for KCDOT.

Special Needs WSDOT Grants – Access - \$95,303. This proposal supports several projects within the Paratransit/Rideshare Section. Sound Transit is contributing \$40,000 to support travel and training; funds from the Hyde bequest are increasing by \$20,000; and \$35,303 in WSDOT grant funds will be used for operating projects.

Low Income Car Sharing - \$1,500,000. This proposal provides funding for King County's participation in pass-through grant agreements associated with Federal Earmarks awarded to the region for Low Income Car Sharing. These costs are backed 100% by grant funds.

Operating Grants - (\$128,655) and (1.00) FTE. Each year, as part of the budget process, operating grants are zero-based to reflect the grants received and the staffing necessary to meet operating grant requirements. This proposal adjusts the operating grant amounts. Operating grant activity for 2006 is projected to be \$3.1 million.

Technical Adjustment

CIP Staffing Changes - (\$383,916), 1.61 FTEs and 1.61 TLTs. This proposal includes adjustments to capital program staffing to reflect project work that will occur in 2006. Projects impacted:

- Design and Construction - for expansion of the Atlantic/Central Bases, tunnel work, Monorail coordination, Waterfront Streetcar, Transit Assets Management Program (TAMP), etc.;
- Management, Information and Technology (MITT) – increased loan out labor for the On Board Systems (OBS) project, accounting and contract support for the OBS and Radio AVL projects, and server replacement support for the Information Systems Preservation project;
- Vehicle Maintenance - the Smart Card project will be installing new equipment in coaches for the Beta test; and
- Power and Facilities - to support the new Breda Conversion and South Lake Union Streetcar projects and adjust Sound Transit contractor level of support for construction; reducing maintenance support on the Central/Atlantic Expansion, planned Monorail capital coordination support, Radio AVL support, and Smart Card support; and eliminating support for Issaquah Highlands Park-and-Ride (P&R), Redondo Heights P&R, and Power Distribution Headquarters projects.

Technical Adjustments – \$111,561, (.80) FTE and (1.00) TLT. In addition to funding one-time proposals such as completion of a two-year biodiesel demonstration project with Seattle City Light

PHYSICAL ENVIRONMENT PROGRAM PLAN

and a Wireless technology demonstration project with the Office of Information Resource Management (OIRM), this proposal includes various technical adjustments throughout the division to align the budget with current priorities.

PSQ Adjustments - \$1,067,286 and 3.77 FTEs. This proposal removes one-time funding for Sound Transit and LINK service levels, and adjusts costs to reflect increased number of bus service hours for 2006 (previously understated in the Operator Model), and adjusts King County Sheriff's Office base costs.

Central Rate Adjustments – \$1,588,678. Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Fund, Technology Services O&M, Technology Services Infrastructure, Geographic Information Services, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Facilities Management Space Charge, Insurance, Radio Access, Radio Reserve Program, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services, Financial Management Services Rebate, Industrial Insurance, Fixed Asset Data Management, Property Services Lease Administration Fee, Countywide Strategic Technology Projects, COLA and Merit.

Vanpool Ridership

With the improving economy, Vanpool ridership increased in 2005 and is projected to increase in the future as King County employment and regional aerospace employment continue to grow.

Vanpool Service - \$116,546 and (1.00) FTE. The direct cost of operating the vanpool fleet is projected annually in the budget process. The number of vanpools in operation, mileage and projected per mile costs are key components in the projection. This proposal supports an expansion of service to support a 5% increase in vanpool ridership and a 20% increase in vanshare ridership; several staffing changes related to ridership expansion, ridership retention, work task review and work process efficiency; and various adjustments due to higher maintenance costs and savings in fuel, printing, travel and training costs. The number of riders is projected to be up 419 per day, the number of vanpools up 36 and the number of vanshare groups up 15 from 2005. 2006 projects 5,970 daily riders with 832 vanpools in operation (734 vanpool groups and 98 vanshare groups), traveling approximately 9.8 million miles. By policy, Vanpool fares recover 100% of all direct vanpool operating costs.

Waterfront Streetcar

Service on the George Benson Waterfront Streetcar will be suspended temporarily in November of 2005, with the closure of the streetcar maintenance facility near Pier 70 to make way for construction of the Seattle Art Museum's Olympic Sculpture Park at that site.

Waterfront Streetcar - (\$616,116) and (10.90) FTEs. This proposal reflects the savings resulting from discontinuing operations of the Waterfront Streetcar during demolition of the existing streetcar facility and construction of a new one. Additional costs of replacing trolley service with bus service, projected revenue loss of ~\$200,000 due to the "Ride-Free-Area", and projected loss of ~\$200,000 in grant funding are embedded in RB01 Bus Service and TA03 Revenue Adjustments, and offset the savings in RB11.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Revenue Vehicle Replacement 4647/5002M

Code/Item Description		Expenditures	FTEs *	TLTs
Program Area				
PE				
	2005 Adopted	9,321,375	0.00	0.00
	Status Quo **	0	0.00	0.00
	Status Quo Budget	9,321,375	0.00	0.00
Technical Adjustment				
TA01	Technical Adjustment	(6,483,954)	0.00	0.00
		(6,483,954)	0.00	0.00
	2006 Proposed Budget	2,837,421	0.00	0.00
	% Change over Adopted	-69.56%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Revenue Fleet Replacement

Technical Adjustment

Technical Adjustment – (\$6,483,954). Consistent with the adopted financial policies, this proposal provides a total of \$2,837,421 for replacement of Transit's revenue vehicles, including buses, access vans and trolleys in 2006. The amount of the transfer for this purpose varies annually and is based on the timing of fleet procurements.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Enterprise Fund

(\$ in 000)	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed ³	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	247,783	136,421	177,874	205,950	184,713	196,021
Revenues						
Fares	71,015	72,791	71,677	73,151	72,706	84,798
Other Operations Revenue	10,297	10,607	10,794	11,687	12,788	13,968
Sales Tax	309,631	321,877	330,067	349,705	369,814	390,708
Interest Income	6,043	3,940	4,784	7,012	7,365	9,056
Capital Grants	102,091	122,346	94,411	49,985	68,645	50,903
Payments from ST; Roads, Fleet, Airport	27,007	30,754	31,828	39,475	40,516	42,028
Sound Transit Payments-Capital	2,690	3,957	2,209	10,464	9,979	2,768
Miscellaneous	12,707	22,204	19,559	26,307	45,968	13,034
Total Revenues	541,480	588,475	565,328	567,786	627,782	607,263
Expenditures						
Transit Division	(406,935)	(431,957)	(433,754)	(464,052)	(480,961)	(500,305)
Transportation Admin Division	(4,060)	(4,844)	(4,838)	(5,119)	(5,263)	(5,410)
Capital	(239,003)	(135,078)	(90,562)	(135,358)	(121,519)	(60,130)
Cross Border Lease (Gillig Coaches)	(15,887)	(9,858)	(9,619)	0	0	0
Debt Service	(13,597)	(15,135)	(15,135)	(15,933)	(16,294)	(17,356)
Total Expenditures	(679,482)	(596,871)	(553,909)	(620,463)	(624,037)	(583,201)
Estimated Underexpenditures						
Operating Program ⁶	0	3,601	3,102	4,692	4,862	5,057
Capital Program	0	7,769	12,368	9,588	1,567	(7,334)
Total Estimated Underexpenditures	0	11,370	15,470	14,280	6,429	(2,277)
Other Fund Transactions						
Long Term Debt (Bonds)	50,526	0	0	16,000	0	21,500
Misc Balance Adjustments	17,567	1,530	1,187	1,160	1,134	1,107
Total Other Fund Transactions	68,093	1,530	1,187	17,160	1,134	22,607
Ending Fund Balance	177,874	140,926	205,950	184,713	196,021	240,413
Reserves & Designations						
30 Day Operating Reserve ⁵	25,170	25,049	33,884	38,472	39,990	41,593
Revenue Fleet Replacement Fund	14,680	29,746	79,774	99,391	149,744	198,056
Cross Border Lease (Gillig Coaches)	11,243	(0)	(0)	(0)	(0)	(0)
Total Reserves & Designations	51,093	54,795	113,658	137,863	189,734	239,649
Ending Undesignated Fund Balance	126,781	86,131	92,292	46,851	6,287	764
Target Fund Balance ⁴	98,490	65,651	115,826	137,957	189,712	245,626

Financial Plan Notes:

¹ 2004 Actuals are from the 13th month.

² 2005 Estimated is updated based on 2004 Actuals.

³ 2006-2008 projections are based on future assumptions concerning service levels and the supporting CIP.

⁴ Target Fund Balance is based on formulae established in the financial policies.

⁵ Ending fund balances in the operating program are below target levels due to 2004 actual expense not meeting the 1 percent under expenditure target as assumed in the financial plan.

⁶ The 2005 Operating Underexpenditures are reduced by \$767,000 due to current expenditure projections.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Operating Sub-Fund

(\$ in 000)	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed ³	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	24,223	24,264	25,170	33,884	38,472	39,990
Revenues						
Fares	71,015	72,791	71,677	73,151	72,706	84,798
Other Operations Revenue	10,297	10,607	10,794	11,687	12,788	13,968
Sales Tax	232,223	241,407	247,550	262,279	277,360	293,031
Payments from ST; Roads, Fleet, Airport	27,007	30,754	31,828	39,475	40,516	42,028
Interest	297	0	806	1,205	1,637	1,775
Miscellaneous	8,120	7,809	7,733	9,065	6,274	5,539
Total Revenues	348,959	363,367	370,387	396,861	411,282	441,139
Expenditures						
Transit	(406,935)	(431,957)	(433,754)	(464,052)	(480,961)	(500,305)
Transportation Administration	(4,060)	(4,844)	(4,838)	(5,119)	(5,263)	(5,410)
Total Expenditures	(410,995)	(436,801)	(438,592)	(469,171)	(486,224)	(505,716)
Estimated Underexpenditures ⁶	0	3,601	3,102	4,692	4,862	5,057
Other Fund Transactions						
Misc Balance Adjustment	(4,679)	0	0	0	0	0
Transfer from Capital Program	67,662	70,617	73,817	72,206	71,598	61,123
Total Other Fund Transactions	62,983	70,617	73,817	72,206	71,598	61,123
Ending Fund Balance	25,170	25,049	33,884	38,472	39,990	41,593
Less: Reserves & Designations						
30 Day Operating Reserve ⁵	25,170	25,049	33,884	38,472	39,990	41,593
Total Reserves & Designations	25,170	25,049	33,884	38,472	39,990	41,593
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance ⁴	33,784	35,905	36,052	38,566	39,968	41,570

Financial Plan Notes:

¹ 2004 Actuals are from the 13th month.

² 2005 Estimated is updated based on 2004 Actuals.

³ 2006-2008 projections are based on future assumptions concerning service levels and the supporting CIP.

⁴ Target Fund Balance is based on formulae established in the financial policies.

⁵ The 30 Day Operating Reserves in the operating program are below target levels in 2004, 2005 and 2006 due to 2004 actual expense not meeting the 1 percent under expenditure target as assumed in the financial plan.

⁶ The 2005 Underexpenditures are reduced by \$767,000 due to current expenditure projections.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Revenue Fleet Replacement Sub-Fund/4641

(\$ in 000)	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed ³	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	100,914	1,750	14,680	79,774	99,391	149,744
Revenues						
Sales Tax Distribution	0	21,317	56,131	(656)	(1,910)	(197)
Interest	1,728	53	440	3,111	4,522	7,113
Grants: Section 5307 Preventive Maintenance	28,533	15,948	15,948	20,000	50,000	50,000
Total Revenues	30,262	37,318	72,519	22,455	52,612	56,916
Expenditures						
Cross Border Lease Fund Transfer	0	0	1,896	0	0	0
Capital Fund Transfer	(116,669)	(9,321)	(9,321)	(2,837)	(2,259)	(2,604)
Total Expenditures	(116,669)	(9,321)	(7,425)	(2,837)	(2,259)	(2,604)
Estimated Underexpenditures						
Other Fund Transactions						
Short Term Loan to CIP	0	0	0	0	0	(6,000)
Balance Sheet Adj.	172	0	0	0	0	0
Total Other Fund Transactions	172	0	0	0	0	(6,000)
Ending Fund Balance	14,680	29,746	79,774	99,391	149,744	198,056
Less: Reserves & Designations						
RFRF Reserve	14,680	29,746	79,774	99,391	149,744	198,056
Total Reserves & Designations	14,680	29,746	79,774	99,391	149,744	198,056
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance ⁴	53,463	29,746	79,774	99,391	149,744	204,056

Financial Plan Notes:

¹ 2004 Actuals are from the 13th month.

² 2005 Estimated is updated based on 2004 Actuals.

³ 2006-2008 projections are based on future assumptions concerning service levels and the supporting CIP.

⁴ Target Fund Balance is based on formulae established in the financial policies.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads 1030/0730

Code/Item Description	Expenditures	FTEs *	TLTs	
Program Area	2005 Adopted	66,439,373	584.70	23.45
PE	Status Quo **	3,232,498	0.00	0.00
	Status Quo Budget	69,671,871	584.70	23.45
Annexation				
DS15	Klahanie / South Cove Annexation Service Reductions	(372,683)	(2.49)	0.00
		(372,683)	(2.49)	0.00
Arterial Capacity Efficiency				
PC02	Travel Demand Projection Model Update	35,000	0.00	0.00
PC03	Concurrency Model Travel Time Data Collection	50,483	0.00	0.00
		85,483	0.00	0.00
Environmental Stewardship				
PC07	Roads Recycling and Renewable Energy Study	46,000	0.00	0.00
PC08	Landscape Maintenance Backlog	133,622	0.00	0.00
		179,622	0.00	0.00
Maximization of Efficient Use of Existing Roads				
PC01	Traffic Control Center Operations	325,925	1.00	(1.00)
RB01	Traffic - Contract City Services	20,644	0.00	0.00
RB07	Developer Roads Inspection Services	28,747	0.00	0.00
		375,316	1.00	(1.00)
Preservation of Aging Infrastructure				
PC04	Bridge Studies	301,358	0.00	0.00
PC05	Vulnerable Road Segments Pavement Testing	76,025	0.00	0.00
PC06	Haul Road Impacts Fee Study	34,131	0.00	0.00
RB06	Roads Maintenance - Parks Bridges Reimbursables	86,540	0.00	0.00
		498,054	0.00	0.00
Technical Adjustment				
PC09	Term Limited Temporary (TLT) Adjustments	(289,467)	0.00	(3.68)
RB02	Road Maintenance - Contract City Services	(44,323)	(1.00)	0.00
RB04	Roads Maintenance - WLRD Reimbursables	0	(5.00)	(3.50)
TA01	Reorg - CIP Countywide Program Planning to Operating	984,000	0.00	0.00
TA03	DOT Administration Allocation	52,765	0.00	0.00
TA04	Labor Distribution	638,201	0.00	0.00
TA48	Facilities Management Central Rate	62,801	0.00	0.00
TA49	COLA Adjustment	420,344	0.00	0.00
CR01	Flexible Benefits	(443,548)	0.00	0.00
CR05	Current Expense Overhead Adjustment	40,620	0.00	0.00
CR06	Healthy Workplace Fund	14,812	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	6,606	0.00	0.00
CR08	Technology Services Infrastructure Charge	(34,464)	0.00	0.00
CR09	Geographic Information Systems Charge	18,329	0.00	0.00
CR11	Telecommunications Services	(6,898)	0.00	0.00
CR12	Telecommunications Overhead	(17,934)	0.00	0.00
CR13	Motor Pool Usage Charge	25,409	0.00	0.00
CR15	Insurance Charges	(294,968)	0.00	0.00
CR16	Radio Access	5,779	0.00	0.00
CR19	Radio Reserve Program	(1,593)	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads 1030/0730

CR20	Prosecuting Attorney Civil Division Charge	(51,263)	0.00	0.00
CR22	Long Term Leases	(84,749)	0.00	0.00
CR25	Financial Services Charge	(292,627)	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(78,119)	0.00	0.00
CR28	Equipment Repair and Replacement	(302,431)	0.00	0.00
CR29	Wastewater Vehicles	(550)	0.00	0.00
CR36	Property Services Lease Administration Fee	2,522	0.00	0.00
CR46	Countywide Strategic Technology Projects	34,137	0.00	0.00
		363,391	(6.00)	(7.18)
	2006 Proposed Budget	70,801,054	577.21	15.27
	% Change over Adopted	6.56%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Road Services Division

The Road Services Division budget is focused on their core businesses of protecting the current road infrastructure, improving traffic and arterial use efficiencies, and focusing on environmental initiatives. In addition, the 2006 Executive Proposed Budget responds to the revenue loss due to the anticipated annexations of Klahanie and South Cove by the City of Issaquah.

Annexations

The Road Services Division has identified a loss of over \$3.2 million in revenue as a result of the anticipated Klahanie and South Cove annexations by the City of Issaquah. The division has identified areas of direct expenditures savings to the Klahanie and South Cove areas. The remaining revenue loss is offset by projected increases in property tax revenues.

Klahanie / South Cove Annexation Service Reductions – (\$372,683) and (2.49) FTEs. Pending voter approval, if the Klahanie and South Cove areas are annexed by the City of Issaquah on March 2, 2006, the Roads Division will reduce \$370,289 in expenditures and 2.5 FTE. This program change results from no longer serving the urban unincorporated area of Klahanie and South Cove with traffic operations and road maintenance services.

Arterial Capacity Efficiency

The Road Services Division has identified this policy direction in order to ensure that existing arterial capacity planning efforts and data are accurate and up to date. This information is essential for future programming decisions to accommodate an ever increasing number of vehicles on the regional arterial system at a time when there are insufficient transportation revenues to build needed road widening projects to add vehicle carrying capacity.

Travel Demand Projection Model Update – \$35,000. This proposal funds a consultant contract, which would help assist in the countywide travel demand model update. The current model needs to be updated to 2004 base conditions to be able to better provide forecasting results for the various transportation programs.

Concurrency Model Travel Time Data Collection – \$50,483. This proposal would allow the CIP and Planning Section to collect travel time data in 37 concurrency corridors for the Transportation Concurrency program. The King County Council requires the concurrency program to update the concurrency model and map each year. Travel time data collection is a major component of this update.

Environmental Stewardship

The Road Services Division is striving to be a leader in developing and employing innovative, environmentally appropriate methods of designing, building and maintaining the county's roads and bridges in order to mitigate the impacts of its activities on the environment and natural habitat.

Roads Recycling and Renewable Energy Study – \$46,000. This proposal would fund a study to determine the feasibility and funding sources to pay for the initial capital costs of implementing renewable energy on a larger scale throughout the division and streamline its waste reduction practices. A desirable outcome would be to decrease waste disposal costs. The study will also help the Road Services Division to evaluate alternate energy sources with the long-term goal of offsetting escalating energy demands and costs.

Landscape Maintenance Backlog – \$133,622. This proposal would fund an expanded program that

PHYSICAL ENVIRONMENT PROGRAM PLAN

uses non-felon individuals sentenced by the courts to the Community Work Program (CWP), to perform guardrail and sidewalk mowing at critical roadside locations throughout the county. Without this work, safety to motorists, bicyclists, and pedestrians may be jeopardized in areas where brush, grass or vines are overgrown and need to be cut back. This proposal will also maximize the use of public dollars by providing work for a non-felon crew through the CWP.

Maximization of Efficient Use of Existing Roads

The Road Services Division aims to maximize the public's efficient use of existing roadways by employing new Intelligent Transportation Systems (ITS) technology. The Division is partnering with cities and the state in implementing ITS projects across jurisdictional boundaries on the region's system of major arterial roadways.

Traffic Control Center Operations – \$325,925, 1.00 FTE and (1.00) TLT. This funding would provide staff and equipment replacement support for the King County Traffic Control Center (TCC), which monitors and controls traffic flow on arterial roadways. Also included is the conversion of a TLT IT Systems Specialist Master to an FTE position to provide ongoing technical support for the TCC and associated traffic infrastructure. A fully operational Traffic Control Center will improve the efficiency of the King County road system by using state-of-the-art technology to improve traffic flow.

Traffic – Contract City Services – \$20,644. This proposal is the annual change to the Traffic Contract City Program based on city input, historic city actual figures, annexations and changes in city inventory. The city program is marked by the addition of two jurisdictions to the budget, Milton and Pierce County. There is also a 20% increase in materials costs reflected in this request, which is passed through to the cities.

Developer Roads Inspection Services – \$28,747. This proposal would shift the workload of an Engineer II position from CIP work to developer road inspection work and Road Log update work to reflect an increase in inspection needs. Additional staff will result in increased coordination with DDES during the construction of private roadways, thereby resulting in a better overall product prior to DDES granting final construction approval of the land-use project.

Preservation of Aging Infrastructure

The Road Services Division places primary importance on preserving aging infrastructure, a policy direction that is contained within the adopted King County Comprehensive Plan.

Bridge Studies – \$301,358. This transfers bridge studies funding from the Capital Improvement Program (CIP) to the Operating Budget to more accurately reflect the funding source. Studies proposed for 2006 include the Baring Bridge Operational Analysis, the Dockton Seawall Alternatives Analysis, and the Alvord T Bridge Study.

Vulnerable Road Segments Pavement Testing – \$76,025. This proposal provides funding for a six-year pavement testing program of vulnerable road segments. The Road Services Division currently manages the countywide overlay program which is a pavement preservation program that repairs the surface features of the roadway structure. Cyclic loading and increases to legal limits that exceed design loads has caused structural damage to several arterials requiring rehabilitation/reconstruction repairs that exceed the scope of the overlay program.

Haul Roads Impacts Fee Study – \$34,131. This study will identify the evidence that could support fee changes that will shift the cost burden of specific haul activities and the effects on the roadways from the taxpayer base to the particular development creating impacts. This study will assist DDES in determining fees for rehabilitation costs assessed to developers as a result of impacts to KC arterials

PHYSICAL ENVIRONMENT PROGRAM PLAN

resulting from developer haul trips and excessive truck axle loads which are accelerating road structure deterioration.

Roads Maintenance to Parks Bridge Program – \$86,540. Road Maintenance provides support to the Parks Bridge Maintenance program, and Parks has proposed an increase in service support to the program for 2006.

Technical Adjustments

Term Limited Temporary (TLT) Adjustments – (\$289,467) and (3.68) TLTs. This proposal updates the TLT staffing levels and corresponding budget for 2006. This reduction includes TLT salary and benefit reductions as TLT terms expire.

Roads Maintenance – Contract City Services – (\$44,323) and (1.00) FTE. This proposal is an annual adjustment to the level of contracted services between Roads Maintenance and contracting cities. The cities of Covington and Kenmore have identified reduced programs for 2006 resulting in the reduction of one FTE.

Roads Maintenance – Water & Land Resources Division (WLRD) Reimbursables – \$0, (5.00) FTEs and (3.50) TLTs. The Roads Maintenance Section performs various maintenance activities for the Water and Land Resources Division (WLRD). For 2006, WLRD has reduced support level needs in Capital Improvements Projects and Contract Cities, resulting in a reduction of 5 FTEs and 3.5 TLTs from what was budgeted for 2005. Overtime funding was increased to provide seasonal support to the Rivers Maintenance Program.

Reorganization of CIP Countywide Program Planning to the Operating Fund – \$984,000. This proposal reorganizes the budget associated with program planning and administration for programs currently budgeted in Countywide CIP projects by transferring funds to operating sections. This program adjustment does not alter any of the work to be done but rather realigns the funding for that work to the operating budget in response to CRAB reporting and other GAAP accounting requirements. A corresponding decrease to the CIP contribution is in effect beginning in 2006 to implement this budget reorganization. There is no net financial impact to the Road Fund.

DOT Administration Cost Allocation – \$52,765. This adjustment is based on the 2006 DOT Director's Office allocated costs to the DOT divisions (Transit, Road Services, Fleet and the Airport).

Labor Distribution – \$638,201. Adjustments associated with distributed labor and administrative overhead cost recovery are included in this technical adjustment.

Central Rates – (\$977,785). Central rate adjustments include CX Overhead, ITS O&M and Infrastructure, Telecommunications Services and Overhead, GIS, Insurance, PAO, Long Term Lease and Lease Administration Fee, Finance, Facilities Management, Wastewater Vehicles, Motor Pool, Radio charges, Flex Benefits, Industrial Insurance, Equipment Repair and Replacement, Countywide Strategic Technology Projects, Healthy Workplace Fund and COLA.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads Services - Fund 1030

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	(317,031)	805,140	(2,432,096)	908,619	1,568,817	1,631,668
Revenues						
* Property Taxes	64,300,645	68,829,498	70,029,622	73,261,547	75,958,148	82,108,494
* Gas Taxes	13,987,597	14,600,958	14,723,120	15,806,232	16,875,977	17,521,608
* Reimbursable Fees for Service	12,072,792	12,354,200	13,800,034	12,650,282	12,959,694	13,277,616
* Sale of Assets	0	761,250	1,604,087	761,250	821,250	716,250
* Other Revenues	2,485,798	2,854,597	2,932,355	2,108,547	2,162,941	2,218,831
Total Revenues	92,846,832	99,400,503	103,089,218	104,587,858	108,778,010	115,842,799
Expenditures						
* Roads Operating Base	(60,280,355)	(63,053,249)	(59,514,059)	(63,875,740)	(64,746,027)	(66,839,186)
* (Surface Water Utility Payment)	(3,386,124)	(3,386,124)	(3,534,299)	(3,534,299)	(3,534,299)	(3,534,299)
* (Transfer to Sheriff)			(3,391,015)	(3,391,015)	(3,391,015)	(3,391,015)
* Stormwater Decant	(392,115)	(517,355)	(517,355)	(527,868)	(544,760)	(562,192)
* Carryover from 2004			(1,623,603)			
* First Quarter Omnibus Ordinance			163,780			
* Second Quarter Omnibus Ordinance			434,551			
Total Expenditures	(64,058,594)	(66,956,728)	(67,982,000)	(71,328,922)	(72,216,101)	(74,326,692)
Estimated Underexpenditures		669,338	679,820	713,289	722,161	743,267
Other Fund Transactions						
* Roads Construction Transfer	(29,416,820)	(32,446,323)	(32,446,323)	(33,234,722)	(37,515,737)	(41,816,886)
* Reduction for 1990 grant revenue error	(1,486,483)					
* Out Year Future Balancing Adjustments				(77,305)	294,518	(186,514)
* Operational Facilities Consolidation and Renovation						(150,000)
Total Other Fund Transactions	(30,903,303)	(32,446,323)	(32,446,323)	(33,312,027)	(37,221,219)	(42,153,400)
Ending Fund Balance	(2,432,096)	1,471,930	908,619	1,568,817	1,631,668	1,737,642
Reserves & Designations						
* Reserves for encumbrances	(1,623,603)					
Total Reserves & Designations	(1,623,603)	0	0	0	0	0
Ending Undesignated Fund Balance	(4,055,699)	1,471,930	908,619	1,568,817	1,631,668	1,737,642
Target Fund Balance (1.5% of Revenues)	1,392,702	1,491,008	1,548,103	1,568,818	1,631,670	1,737,642

Financial Plan Notes:

- (1) Beginning in 2003 and for the out years of the plan, a.v. plus new construction and levy growth are assumed to grow at a conservative constant rate of 6% per year (4.2% plus 1.55% new construction). Initiative 747 neither repeals nor amends RCW 84.55.092, the statute allowing taxing districts to bank levy capacity. Initiative 747, does not affect any taxing district's previously banked levy capacity. So if, for example, a taxing district had banked levy capacity available for its use (assuming that all other applicable restrictions on levies are being observed), the taxing district could increase its levy in a year after the Initiative has taken effect by one percent over the amount of its previous maximum lawful levy. The maximum levy amount is met in 2007.
- (2) Gas Tax estimates are based on the DOT's estimate of statewide revenues available to counties and King County's allocation factor from CRAB. These figures reflect WSDOT's September 2005 forecast; and CRAB's July 2005 allocation for King County. (10.182%) beginning in 2006.
- (3) Reimbursable fees for service include city contracts, expense/revenue identified in the division-wide reimbursables org (1668) covering discretionary services, photographic services, MPS admin fees, right of way inspection fees, and regional stormwater decant fees.
- (4) Sale of assets include surplus property sales and Covington gravel and sand mining receipts.
- (5) Other Revenues include all road fund revenues other than property taxes, gas tax, reimbursables, sale of assets, and grants, which are identified separately in the financial plan.
- (6) The Roads Operating Base reflects the operating budget less the transfer to the Sheriff's Office for Traffic Safety Enforcement services (an allowable diversion of road fund dollars), the Surface Water Utility Charge, and the Stormwater Disposal Program which is budgeted separately in ARMS Dept. 726 in order to meet state accounting requirements.
- (7) SWM fees assume no fee increase and are adjusted annually to reflect revised road miles in the SWM service area and incorporation activity in 1997 and beyond. A SWU extension (Rural Drainage Fee Program) to include the remaining road miles in unincorporated King County was adopted beginning in 2000. A 20% rate increase was adopted in 2002.
- (8) The 2006-2011 six-year CIP Contribution (\$246.4 million) is approximately \$25 million more than the six-year total for the 2005-2010 adopted six-year program (\$221.3 million) in this version of the financial plan.
- (9) Beginning in 2001, the ending fund balance target is established at 1.5% of programmed revenues. This is more reflective of the Division's actual practices since 1997, and is a reduction from the Division's previous long standing practice of reserving a fund balance target of 5% of programmed revenues. Managing to a lower fund balance target frees up scarce additional cash to be put to immediate active use in roads CIP and operational programs. This new reserve practice is possible because of the division's approach, since 1997, of managing the cash requirements of the Road Fund through strategic timing of the CIP Contribution transfer to the Road Construction fund. Most of the Division's first quarter funding requirements are met by the April property tax receipts. Cash flow requirements for the first three months of the year are met by delaying a portion of the annual transfer of cash from the Roads Operating Fund to the Roads CIP Fund. The accounting mechanism for accomplishing this is to record an expenditure in the Roads Operating Fund, and corresponding revenue in the Roads CIP Fund. This matches expenditures and revenues in the correct fiscal period, resulting in the correct fund balance figure. At the same time, a receivable ("due from") is created on the Roads CIP Fund balance sheet, offset by obligation ("due to") on the Roads Operating Fund balance sheet in the amount of the cash withheld from the transfer. Since these items, as well as cash, appear on the balance sheet, they do not affect ending fund balance. In May, the obligation is paid off with cash received from the April property tax receipts, long before the cash is required for covering actual Roads CIP Fund expenditures. In effect, cashflow is managed for the two funds as a single unit. This is consistent with long standing policy of funding the Roads CIP out of Roads Operating Fund revenues, above those required for basic road and traffic operations and maintenance. When the Road fund recorded a negative ending fund balance in 1999 and 2000, cash needs were fully covered by employing this practice and managing to the cash available in both funds.
- (10) The 2003 Ending Fund Balance was reduced by the Office of Finance by \$243,571 to account for the Road Fund share of the decline in King County's unrealized investment gains; and also the 2004 Ending Fund Balance was reduced the Office of Finance by another \$1,486,483 for a Prior Period adjustment of revenue for a 1990 FEMA grant.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Stormwater Decant Program 1030/0726

Code/Item Description		Expenditures	FTEs *	TLTs
Program Area				
<i>PE</i>				
	2005 Adopted	517,355	0.00	0.00
	Status Quo **	5,802	0.00	0.00
	Status Quo Budget	523,157	0.00	0.00
Technical Adjustment				
CR05	Current Expense Overhead Adjustment	38	0.00	0.00
CR11	Telecommunications Services	(72)	0.00	0.00
CR12	Telecommunications Overhead	87	0.00	0.00
CR25	Financial Services Charge	9,020	0.00	0.00
CR28	Equipment Repair and Replacement	(4,362)	0.00	0.00
		4,711	0.00	0.00
	2006 Proposed Budget	527,868	0.00	0.00
	% Change over Adopted	2.03%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Stormwater Decant Program

Technical Adjustments

Central Rate Adjustments: \$4,711. The central rate adjustments include changes to Current Expense Overhead, Telecommunications, Finance and Equipment Repair and Replacement.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads Construction Transfer 1030/0734

Code/Item Description		Expenditures	FTEs *	TLTs
Program Area				
PE				
	2005 Adopted	32,446,323	0.00	0.00
	Status Quo **	0	0.00	0.00
	Status Quo Budget	32,446,323	0.00	0.00
Technical Adjustment				
TA01	Transfer to CIP	788,399	0.00	0.00
		788,399	0.00	0.00
	2006 Proposed Budget	33,234,722	0.00	0.00
	% Change over Adopted	2.43%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Construction Transfer

Technical Adjustments

Transfer from Road Fund to Capital Funds – \$788,399. This proposal reflects the amount available to increase Road Fund contributions to the Roads CIP after accounting for priority operating budget adjustments and meeting ending fund balance requirement of 1.5% of total revenues. An increase over the 2005 transfer is possible in 2006 due to the excess levy capacity available in the road levy. 2006 is the last year the road levy will contain any excess levy capacity.

Fleet Administration

Fleet Administration Division manages the County's vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund. The Sheriff's Office and other Current Expense agencies represent about two-thirds of the Motor Pool Fund vehicles and services. The Road Service Division is the primary user of the Public Works Equipment Rental and Revolving Fund. The Wastewater Division is the primary user of the Wastewater Equipment Rental and Revolving Fund.

In the 2006 Executive Proposed, Fleet is challenged to minimize the rate impact to customers as the cost of fuel continues to increase, a 17% increase from 2003 to 2004. In addition to rising fuel expenses, Fleet space costs are increasing in 2006 as the Motor Pool Maintenance Shop and Personal Property Surplus move to the Orcas Street location.

The rates charged to agencies are based primarily on three factors: vehicle use, vehicle maintenance and vehicle replacement. The 2006 rates are based on 2004 actual use. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle. This vehicle replacement model considers variables such as annual costs, resale/salvage value, and purchase price.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool Equipment Rental and Revolving 5580/0780

Code/Item Description	Expenditures	FTEs *	TLTs
Program Area	2005 Adopted	10,019,005	21.00
PE	Status Quo **	244,549	0.00
	Status Quo Budget	10,263,554	21.00
Equipment Purchase Adjustment			
RB02 Vehicle/Equipment Replacement Adjustment	(481,634)	0.00	0.00
	(481,634)	0.00	0.00
Technical Adjustment			
RB01 Operating & Maintenance Program - Vehicles/Equipment	111,368	0.00	0.00
TA15 Revenue Increment	0	0.00	0.00
CR01 Flexible Benefits	(15,624)	0.00	0.00
CR05 Current Expense Overhead Adjustment	(112,514)	0.00	0.00
CR06 Healthy Workplace Fund	525	0.00	0.00
CR07 Technology Services Operations & Maintenance Charge	(6,056)	0.00	0.00
CR08 Technology Services Infrastructure Charge	(1,004)	0.00	0.00
CR11 Telecommunications Services	(1,867)	0.00	0.00
CR12 Telecommunications Overhead	353	0.00	0.00
CR14 Facilities Management Space Charge	103,461	0.00	0.00
CR15 Insurance Charges	10,906	0.00	0.00
CR16 Radio Access	15	0.00	0.00
CR19 Radio Reserve Program	(5)	0.00	0.00
CR21 Debt Service Adjustment	(288)	0.00	0.00
CR22 Long Term Leases	57,588	0.00	0.00
CR25 Financial Services Charge	(2,030)	0.00	0.00
CR27 Industrial Insurance Rate Adj.	(2,934)	0.00	0.00
CR36 Property Services Lease Administration Fee	80	0.00	0.00
CR39 COLA Adjustment	13,302	0.00	0.00
CR46 Countywide Strategic Technology Projects	1,179	0.00	0.00
	156,455	0.00	0.00
2006 Proposed Budget	9,938,375	21.00	0.00
% Change over Adopted	-0.80%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool ER&R Fund

The total 2006 Executive Proposed Budget for the Motor Pool ER&R appropriation unit is \$9,938,375 and is staffed by 21 FTEs.

Equipment Purchase Adjustments

Vehicle Equipment Replacement Adjustment – (\$481,634). The budget authority necessary to replace vehicles in 2006 will decrease by \$481,634 from the previous estimate. While agency contributions to Motor Pool are relatively consistent from year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

Technical Adjustments

Fleet Operations and Maintenance – \$111,368. This proposed budget adjustment improves the budget accuracy for a series of supplies and services accounts.

Central Rates – \$45,087. There is a net increase of central rate costs to the Motor Pool ER&R fund. Space charges are increasing due to the move of the Motor Pool Maintenance Shop from the King County Parking Facility to the Orcas Street location. A decrease in the Current Expense Overhead Adjustment is offset by increased Long Term Lease and Facilities Space Charges.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool Equipment Rental Revolving / Fund 5580

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	8,427,337	7,062,824	7,641,746	2,842,893	2,069,176	2,092,984
Revenues						
* Garage Services & Supplies	231,832	65,207	65,207	144,018	148,339	152,789
* Investment Interest	183,337	110,749	110,749	79,143	73,232	81,694
* Sale of Equipment	214,523	464,829	464,829	368,039	302,932	288,669
* Other Miscellaneous Revenues	162,811	135,000	135,000	135,000	139,050	143,222
* Vehicle Rental Revenues	7,460,934	7,548,011	7,548,011	8,098,541	8,584,453	9,099,521
Total Revenues	8,253,438	8,323,796	8,323,796	8,824,741	9,248,007	9,765,894
Expenditures						
* Operating and Maintenance	(5,599,099)	(5,817,524)	(6,177,524)	(6,217,707)	(6,154,301)	(6,298,382)
* Capital Equipment Replacement	(3,338,820)	(4,162,028)	(4,162,028)	(3,680,394)	(3,029,323)	(2,886,689)
* Debt Service-Core Financial	(40,565)	(39,453)	(39,453)	(40,275)	(40,575)	(40,548)
* 2004-2005 Carryover Encumbrances			(546,457)			
Total Expenditures	(8,978,484)	(10,019,005)	(10,925,462)	(9,938,375)	(9,224,199)	(9,225,619)
Estimated Underexpenditures						
Other Fund Transactions						
* Fund Balance Reduction-Orcas St.	(47,955)	0	(2,197,187)	339,917		
* Other Financial Transactions	(12,636)					
Total Other Fund Transactions	(60,591)	0	(2,197,187)	339,917	0	0
Ending Fund Balance	7,641,700	5,367,615	2,842,893	2,069,176	2,092,984	2,633,259
Reserves & Designations						
* Allowance of Inventory	(53,459)	(84,181)	(84,181)	(86,706)	(89,308)	(91,987)
* Contingency for Capital Improvement	(253,960)	(249,714)	(249,714)	(264,742)	(277,440)	(292,977)
* 2004-2005 Carryover Encumbrances	(546,457)					
Total Reserves & Designations	(853,876)	(333,895)	(333,895)	(351,449)	(366,748)	(384,964)
Ending Undesignated Fund Balance	6,787,824	5,033,720	2,508,998	1,717,728	1,726,236	2,248,295
Projected Fleet Replacement Cost (PFRC)	27,818,830	26,439,630	26,439,630	26,486,552	27,281,149	28,099,583
Percent of Proj. Fleet Repl. Cost	24%	19%	9%	6%	6%	8%
Target Fund Balance- 10% of PFRC	2,781,883	2,643,963	2,643,963	2,648,655	2,728,115	2,809,958
Target Fund Balance- 20% of PFRC	5,563,766	5,287,926	5,287,926	5,297,310	5,456,230	5,619,917

Financial Plan Notes:

- 2004 Actuals are from the 2004 CAFR.
- 2005 Estimated is based on annualized revenue & expenditure report.
 - 2005 Estimated "Operating and Maintenance" expenditure includes \$360,000 supplemental request for increased fuel prices
- 2007 and 2008 Projected are based on the following assumptions:
 - Assumes 3% annual percentage rate on investment earnings.
 - Assumes sale of equipment is 10% of annual capital expenditures.
 - Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
 - Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
 - Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated increase 3% per year.
 - Contingency for capital improvement is estimated at 3% of annual revenues.
- Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Equipment Rental and Revolving 5570/0750

Code/Item Description	Expenditures	FTEs *	TLTs	
Program Area	2005 Adopted	10,987,809	55.00	0.00
PE	Status Quo **	(534,708)	0.00	0.00
	Status Quo Budget	10,453,101	55.00	0.00
Equipment Purchase Adjustment				
RB01	Equipment Replacement Adjustment	(843,097)	0.00	0.00
		(843,097)	0.00	0.00
Technical Adjustment				
RB02	Operating & Maintenance Program - Vehicles/Equipment	164,910	0.00	0.00
RB03	Personal Property and Fixed Asset Data Management Section	(296)	0.00	0.00
CR01	Flexible Benefits	(40,920)	0.00	0.00
CR05	Current Expense Overhead Adjustment	5,623	0.00	0.00
CR06	Healthy Workplace Fund	1,375	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(1,160)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(1,137)	0.00	0.00
CR11	Telecommunications Services	(719)	0.00	0.00
CR12	Telecommunications Overhead	163	0.00	0.00
CR13	Motor Pool Usage Charge	(18,806)	0.00	0.00
CR14	Facilities Management Space Charge	31,254	0.00	0.00
CR15	Insurance Charges	(19,036)	0.00	0.00
CR16	Radio Access	177	0.00	0.00
CR19	Radio Reserve Program	(50)	0.00	0.00
CR21	Debt Service Adjustment	18	0.00	0.00
CR22	Long Term Leases	85,127	0.00	0.00
CR25	Financial Services Charge	(1,106)	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(6,466)	0.00	0.00
CR36	Property Services Lease Administration Fee	42	0.00	0.00
CR39	COLA Adjustment	39,452	0.00	0.00
CR46	Countywide Strategic Technology Projects	3,088	0.00	0.00
		241,533	0.00	0.00
2006 Proposed Budget		9,851,537	55.00	0.00
% Change over Adopted		-10.34%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Works ER&R Fund

The total 2006 Executive Proposed Budget for the Public Works ER&R appropriation unit is \$9,851,537 and is staffed by 55 FTEs

Equipment Purchase Adjustments

Equipment Replacement Adjustment – (\$843,097). The budget authority necessary to replace vehicles in 2006 will decrease by \$843,097 from the previous estimate. While agency contributions to this fund are relatively consistent from year to year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This variability is a function of the number of vehicles that reach the end of their life cycle in any particular year.

Technical Adjustments

Fleet Operations and Maintenance – \$164,910. Proposed adjustments to a variety of non-labor accounts including a one-time inter-fund transfer to Motor Pool ER&R. The transfer represents the Public Works ER&R Fund proportionate share of the tenant improvement costs at the Orcas Street building Motor Pool Maintenance Shop.

Personal Property and Fixed Asset Data Management Adjustment – (\$296). This proposed budget adjustment improves the budget accuracy for a series of miscellaneous non-labor accounts.

Central Rates - \$76,919. There is a net budget increase of \$76,919 for central rates charged to the Public Works ER&R Fund. Decreases in Flex Benefits, Motor Pool Usage and Insurance charges are offset by increases in Long Term Leases, COLA and the Facilities Space Charge. Space charges for the Surplus Property group are increasing due to the move from the Graybar Building to the Orcas Street facility.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Works Equipment Rental Revolving / Fund 5570

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	10,278,278	7,340,849	11,581,091	6,699,385	5,022,260	3,610,861
Revenues						
* Sales of Stores & Materials	625,113	480,980	480,980	587,262	604,879	623,026
* Investment Interest	235,392	105,790	105,790	156,545	110,794	76,206
* Sale of Equipment	356,554	568,717	568,717	246,786	268,142	252,913
* Other Miscellaneous Revenues	413,225	198,847	198,847	198,847	208,789	219,229
* Vehicle Rental Revenues	5,876,337	6,132,208	6,132,208	6,364,405	6,852,059	7,419,728
* Personal Property & Fixed Assets Revenues	281,341	482,553	482,553	620,566	639,183	658,359
Total Revenues	7,787,962	7,969,095	7,969,095	8,174,411	8,683,848	9,249,460
Expenditures						
* Operating and Maintenance	(4,545,721)	(6,675,452)	(6,832,452)	(7,107,722)	(7,146,768)	(7,302,660)
* Capital Equipment Replacement	(1,218,463)	(2,899,646)	(2,899,646)	(2,056,549)	(2,234,519)	(2,107,605)
* Debt Service - Core Financial	(58,515)	(50,908)	(50,908)	(50,908)	(58,511)	(58,529)
* Personal Property & Fixed Assets	(607,590)	(581,373)	(581,373)	(636,358)	(655,448)	(675,112)
* 2004-2005 Carryover Encumbrances			(2,486,422)			
Total Expenditures	(6,430,289)	(10,207,379)	(12,850,801)	(9,851,537)	(10,095,246)	(10,143,905)
Estimated Underexpenditures						
Other Fund Transactions						
* Other Financial Transactions(per Loren Burt)	(54,859)					
* Rebate to Roads		(780,430)		0		
Total Other Fund Transactions	(54,859)	(780,430)	0	0	0	0
Ending Fund Balance	11,581,092	4,322,135	6,699,385	5,022,260	3,610,861	2,716,416
Reserves & Designations						
* Allowance for Inventory	(1,192,836)	(1,402,924)	(1,402,924)	(1,445,012)	(1,488,362)	(1,533,013)
* Contingency for Capital Improvement	(241,363)	(239,073)	(239,073)	(245,232)	(260,515)	(277,484)
* 2004-2005 Carryover Encumbrances	(2,486,422)					
Total Reserves & Designations	(3,920,621)	(1,641,997)	(1,641,997)	(1,690,244)	(1,748,877)	(1,810,497)
Ending Undesignated Fund Balance	7,660,471	2,680,138	5,057,388	3,332,016	1,861,984	905,919
Projected Fleet Replacement Cost (PFRC)	31,048,207	31,204,802	31,204,802	29,519,257	30,109,642	30,711,835
Percent of Proj. Fleet Repl. Cost	25%	9%	16%	11%	6%	3%
Target Fund Balance - 10% of PFRC ⁴	3,104,821	3,120,480	3,120,480	2,951,926	3,010,964	3,071,183
Target Fund Balance - 20% of PFRC	6,209,641	6,240,960	6,240,960	5,903,851	6,021,928	6,142,367

Financial Plan Notes:

¹ 2004 Actuals are from the 2004 CAFR.

² 2005 Estimated is based on annualized revenue & expenditure report.

a) 2005 Estimated "Operating and Maintenance" expenditure includes \$157,000 supplemental request for increased fuel prices

³ 2007 and 2008 Projected are based on the following assumptions:

a) Assumes 3.25% annual percentage rate on investment earnings.

b) Assumes sale of equipment is 12% of annual capital expenditures.

c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.

d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.

e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated to increase 3% per year.

f) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Equipment Rental and Revolving 5441/0137

Code/Item Description		Expenditures	FTEs *	TLTs	
Program Area		2005 Adopted	2,565,461	0.00	0.00
PE		Status Quo **	17,239	0.00	0.00
Status Quo Budget		2,582,700	0.00	0.00	
Equipment Purchase Adjustment					
RB01	Vehicle/Equipment Replacement Adjustment	(336,813)	0.00	0.00	
		(336,813)	0.00	0.00	
Technical Adjustment					
RB02	Operating & Maintenance Program - Vehicles/Equipment	295,672	0.00	0.00	
TA15	Revenue Increment	0	0.00	0.00	
CR05	Current Expense Overhead Adjustment	9	0.00	0.00	
CR15	Insurance Charges	(17,722)	0.00	0.00	
CR22	Long Term Leases	(863)	0.00	0.00	
CR25	Financial Services Charge	1,579	0.00	0.00	
CR36	Property Services Lease Administration Fee	26	0.00	0.00	
		278,701	0.00	0.00	
2006 Proposed Budget		2,524,588	0.00	0.00	
% Change over Adopted		-1.59%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater ER&R Fund

The total 2006 Executive Proposed budget for the Wastewater ER&R appropriation unit is \$2,524,588.

Revenue Backed Adjustments

Vehicle Equipment Replacement—(\$336,813). The budget authority necessary to replace vehicles in 2006 will decrease by \$336,813. While agency contributions to Wastewater ER&R are relatively consistent from year to year the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This variability is a function of the number of vehicles that reach the end of their life cycle in any particular year.

Operating & Maintenance Program— \$295,671. Proposed adjustments to a variety of non-labor accounts including a one-time inter-fund transfer to the Motor Pool ER&R fund. The transfer represents the Wastewater ER&R Fund's proportionate share of the tenant improvement costs at the Orcas Street building Motor Pool Maintenance Shop.

Central Rates Adjustment

Central Rates – (\$16,971). There is a net decrease to the Wastewater Equipment Repair and Replacement Fund due primarily to reduced Insurance charges.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Equipment Rental Revolving / Fund 5441

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Proposed	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	4,507,644	3,962,258	4,769,092	3,842,236	3,407,743	3,734,341
Revenues						
* Investment Interest	100,386	72,643	72,643	118,719	117,355	127,611
* Sale of Equipment	58,591	357,676	357,676	142,208	91,086	92,260
* Other Miscellaneous Revenues	20,793	15,000	15,000	15,000	15,450	15,914
* Vehicle Rental Revenues	1,655,114	1,596,894	1,596,894	1,814,169	1,868,594	1,924,652
Total Revenues	1,834,884	2,042,213	2,042,213	2,090,096	2,092,485	2,160,436
Expenditures						
* Operating and Maintenance	(848,428)	(806,569)	(858,569)	(830,125)	(855,028)	(880,679)
* Capital Equipment Replacement	(723,608)	(1,758,892)	(1,758,892)	(1,422,079)	(910,859)	(922,596)
* 2004 - 2005 Carryover Encumbrances			(351,608)			
Total Expenditures	(1,572,036)	(2,565,461)	(2,969,069)	(2,252,204)	(1,765,887)	(1,803,275)
Estimated Underexpenditures						
Other Fund Transactions						
* Transfer of capital funds				(272,384)		
* Other Fund Transactions	(1,400)					
Total Other Fund Transactions	(1,400)	0	0	(272,384)	0	0
Ending Fund Balance	4,769,092	3,439,010	3,842,236	3,407,743	3,734,341	4,091,502
Reserves & Designations						
* Allowance for Inventory	(3,083)	(1,610)	(1,610)	(1,658)	(1,708)	(1,759)
* Contingency for Capital Improvement	(57,314)	(61,266)	(61,266)	(62,703)	(62,775)	(64,813)
* 2004-2005 Carryover Encumbrances	(351,608)					
Total Reserves & Designations	(412,005)	(62,876)	(62,876)	(64,361)	(64,483)	(66,572)
Ending Undesignated Fund Balance	4,357,087	3,376,134	3,779,360	3,343,382	3,669,859	4,024,930
Projected Fleet Replacement Cost (PFRC)	13,998,101	14,635,080	14,635,080	15,963,787	16,442,701	16,935,982
Percent of Proj. Fleet Repl. Cost	31%	23%	26%	21%	22%	24%
Target Fund Balance - 10% of PFRC ⁴	1,399,810	1,463,508	1,463,508	1,596,379	1,644,270	1,693,598
Target Fund Balance - 20% of PFRC	2,799,620	2,927,016	2,927,016	3,192,757	3,288,540	3,387,196

Financial Plan Notes:

¹ 2004 Actuals are from the 2004 CAFR.

² 2005 Estimated is based on annualized revenue and expenditure report.

a) 2005 Estimated "Operating and Maintenance" expenditure includes \$52,000 supplemental request for increased fuel prices

³ 2007 and 2008 Projected are based on the following assumptions:

a) Assumes 3.25% annual percentage rate on investment earnings.

b) Assumes sale of equipment is 10% of annual capital expenditures.

c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.

d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.

e) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport 4290/0710

Code/Item Description	Expenditures	FTEs *	TLTs
Program Area			
PE	2005 Adopted 10,860,027	48.00	0.00
	Status Quo ** 435,088	0.00	0.00
	Status Quo Budget 11,295,115	48.00	0.00
Technical Adjustment			
TA01 Increase Cost of FMD Custodial Services	72,407	0.00	0.00
TA02 Increase Cost of DOT Director's Office Overhead	36,230	0.00	0.00
CR01 Flexible Benefits	(35,712)	0.00	0.00
CR05 Current Expense Overhead Adjustment	5,182	0.00	0.00
CR06 Healthy Workplace Fund	1,200	0.00	0.00
CR07 Technology Services Operations & Maintenance Charge	(15,345)	0.00	0.00
CR08 Technology Services Infrastructure Charge	(7,304)	0.00	0.00
CR09 Geographic Information Systems Charge	2,456	0.00	0.00
CR11 Telecommunications Services	(350)	0.00	0.00
CR12 Telecommunications Overhead	4,671	0.00	0.00
CR15 Insurance Charges	59,696	0.00	0.00
CR16 Radio Access	636	0.00	0.00
CR19 Radio Reserve Program	(219)	0.00	0.00
CR20 Prosecuting Attorney Civil Division Charge	(7,272)	0.00	0.00
CR21 Debt Service Adjustment	3	0.00	0.00
CR25 Financial Services Charge	18,353	0.00	0.00
CR27 Industrial Insurance Rate Adj.	(5,085)	0.00	0.00
CR39 COLA Adjustment	34,604	0.00	0.00
CR46 Countywide Strategic Technology Projects	2,695	0.00	0.00
	166,846	0.00	0.00
2006 Proposed Budget	11,461,961	48.00	0.00
% Change over Adopted	5.54%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport Construction Transfer 4290/0716

Code/Item Description		Expenditures	FTEs *	TLTs
Program Area				
<i>PE</i>				
	2005 Adopted	1,520,260	0.00	0.00
	Status Quo **	0	0.00	0.00
	Status Quo Budget	1,520,260	0.00	0.00
Technical Adjustment				
TA01	Operating Transfer to CIP	(1,250,260)	0.00	0.00
		(1,250,260)	0.00	0.00
	2006 Proposed Budget	270,000	0.00	0.00
	% Change over Adopted	-82.24%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Airport

The King County International Airport's (KCIA) 2006 Proposed Operating Budget assumes that operations in 2006 will remain essentially the same as for 2005. The budget does not include any re-development proposals or major changes in operating structure, including the provision of Airport Rescue and Fire Fighting (ARFF) services. In order to keep pace with increased costs of basic operations, KCIA is proposing fee increases consistent with rates and charges at other comparable airports in the area. The Airport is also anticipating increases in lease revenues for non-Boeing leases. However, due to runway repair at the Airport, certain fee revenues will decrease, causing total Airport revenues to drop slightly from 2005. The Airport is anticipating a reversal of this revenue decline in 2007, once the runway repairs are complete.

Technical Adjustments

Custodial Services Adjustment -- \$72,407. This proposed budget adjustment is based on an increase in Facilities Management Division's (FMD) cost of providing custodial services to the Airport. This increase is based on a recalculation of the amount due to FMD from the Airport according to a full cost recovery model, including overhead. This recalculation takes increased direct costs, increased general and administrative costs and a discontinuance of Supported Employment subsidies into account.

Director's Office Allocation -- \$36,230. This adjustment is based on the 2006 DOT Director's Office costs to the DOT divisions (Transit, Road Services, Fleet and the Airport). The Airport is assigned roughly 6% of the Director's Office allocated costs.

Central Rate Adjustments -- \$58,209. The 17 central rates applicable to the Airport include reductions and increases that net to an increase of \$58,209. Central rate adjustments include: CX Overhead, ITS Infrastructure and O&M, Telecommunications Services and O&M, Finance, Insurance, Limited Tax Bond, PAO, OIRM, Industrial Insurance, Radio Equipment and Service, GIS O&M, Healthy Workplace Fund, COLA, and Flex Benefits.

PHYSICAL ENVIRONMENT PROGRAM PLAN

King County International Airport - 4290 / 0710

	2004 Actual	2005 Adopted	2005 Revised	2006 Proposed	2007 Projected	2008 Projected
Beginning Fund Balance	2,516,831	2,376,164	2,681,252	1,575,869	870,090	1,031,036
Revenues						
Operating	11,515,453	10,871,274	10,837,196	10,824,972	12,343,221	12,820,159
Interest ¹	130,912	98,952	109,200	60,779	38,795	48,146
Aircraft Pking Rev Transfer to Hush Hse	(229,724)	(139,278)	(139,278)	(146,118)	(149,044)	(152,024)
Total Revenues	11,416,641	10,830,948	10,807,118	10,739,633	12,232,972	12,716,281
Expenditures						
Operating Expenditures ²	(8,241,707)	(8,550,664)	(8,589,078)	(9,152,598)	(9,381,350)	(9,690,939)
Bond Debt Payments ³	(668,456)					
ARFF	(2,333,104)	(2,309,363)	(2,270,949)	(2,309,363)	(2,424,831)	(2,546,073)
1st Qtr Omnibus Ordinance			25,920			
Carryover Encumbrance			(23,506)			
3rd Qtr Omnibus Ordinance ⁴			(203,084)			
Total Expenditures	(11,243,267)	(10,860,027)	(11,060,697)	(11,461,961)	(11,806,181)	(12,237,012)
Estimated Underexpenditures		271,501	0	286,549	295,155	305,925
Other Fund Transactions						
Correction of 2004 Bond Debt Payment ⁵			668,456			
14 Month GL Adjustments	(8,953)					
Operating Transfer to CIP ⁶		(1,520,260)	(1,520,260)	(270,000)	(561,000)	(597,000)
Total Other Fund Transactions	(8,953)	(1,520,260)	(851,804)	(270,000)	(561,000)	(597,000)
Ending Fund Balance	2,681,252	1,098,326	1,575,869	870,090	1,031,036	1,219,230
Reserves & Designations						
Encumbrance	(23,506)					
Class Comp Reserve	(110,000)					
Total Reserves & Designations	(133,506)	0	0	0	0	0
Ending Undesignated Fund Balance	2,547,746	1,098,326	1,575,869	870,090	1,031,036	1,219,230
Target Fund Balance ⁷	1,141,664	1,083,095	1,080,712	1,073,963	1,223,297	1,271,628

Financial Plan Notes:

¹ Interest % based on KC Budget Office forecast

² Operating Expenditures based on Budget Office inflation factors and 5% for ARFF KCSO Contract

³ Bond debt payment erroneously paid out of operating fund instead of CIP fund

⁴ Assumes 3rd Qtr Omnibus Ordinance is adopted

⁵ Correction of 2004 Bond Debt payment erroneously paid out of operating fund instead of CIP fund

⁶ Operating Transfer to CIP based on 2005 adopted 6 year Non-cx & CIP financial plan

⁷ 10% of total revenue

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment CX Transfers 0010/0697

Code/Item Description		Expenditures	FTEs *	TLTs	
Program Area		2005 Adopted	5,775,121	0.00	0.00
PE		Status Quo **	233,743	0.00	0.00
Status Quo Budget		6,008,864	0.00	0.00	
Expanded Service Delivery					
PC02	Fire Prevention Education	100,000	0.00	0.00	
		100,000	0.00	0.00	
Increased Efficiencies					
PC01	Code Enforcement Clerical Support Position	127,768	0.00	0.00	
		127,768	0.00	0.00	
Technical Adjustment					
PC03	Elevation of Fire Marshal to Division Director	4,321	0.00	0.00	
TA02	Negotiated Salary Increases - Code Enforcement	36,872	0.00	0.00	
TA03	Reduction of WLRD Transfer	(9,706)	0.00	0.00	
		31,487	0.00	0.00	
Transfer of Urban Park Assets and Annexation					
PC04	Parks Reduction	(404,042)	0.00	0.00	
		(404,042)	0.00	0.00	
2006 Proposed Budget		5,864,077	0.00	0.00	
% Change over Adopted		1.54%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment General Fund Transfers

Expanded Service Delivery

Fire Prevention Education - \$100,000

Increased Efficiencies

Code Enforcement Clerical Support Position - \$127,768

Technical Adjustment

Elevation of Fire Marshal to Division Director - \$4,321

Negotiated Salary Increases – Code Enforcement - \$36,872

Reduction of WLRD Transfer – (\$9,706)

Transfer of Urban Park Assets

UGA Pools Transfers – (\$362,500).

Klahanie Annexation – (\$41,542).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment Program Area

	2004 Adopted		2005 Adopted		2006 Proposed	
	Expenditures	FTEs	Expenditures	FTEs	Expenditures	FTEs
Development and Environmental Services						
DEVELOPMENT & ENVIRONMENT SVCS	30,940,462	241.50	29,846,796	235.50	31,095,995	234.50
	30,940,462	241.50	29,846,796	235.50	31,095,995	234.50
Natural Resources						
PARKS & RECREATION 2004 LEVY	19,356,220	159.93	20,534,400	155.01	20,788,336	150.06
WASTEWATER TREATMENT DIVISION	84,640,000	596.60	86,860,000	598.70	92,510,805	598.70
SW POST CLOSURE LF MAINT	6,416,590	-	3,148,029	1.00	4,682,643	1.00
RIVER IMPROVEMENT	4,454,083	11.50	4,199,573	12.50	4,088,312	11.50
SURFACE WATER MGT FUND	39,467,670	338.10	39,827,171	329.26	26,941,497	206.92
RURAL DRAINAGE	4,477,848	-	4,331,854	-	21,806,322	112.90
NOXIOUS WEED FUND	1,097,324	6.00	1,172,602	6.00	1,258,075	11.36
YOUTH SPORTS FAC GRANT FUND	654,451	1.00	934,490	1.00	1,061,485	1.00
INTERCOUNTY RIVER IMPROVEMENT	48,849	-	124,925	-	52,985	-
SOLID WASTE OPERATING	90,882,077	405.43	89,455,062	433.80	96,022,101	439.40
DNRP GIS INTERNAL SVC FUND	3,398,884	31.00	3,531,863	31.00	3,730,472	31.00
	254,893,996	1,549.56	254,119,969	1,568.27	272,943,033	1,563.84
Transportation						
STORMWATER DECANT PRGM	514,818	-	517,355	-	527,868	-
ROADS	63,955,707	596.70	66,439,373	584.70	70,801,054	577.21
PUBLIC TRANSPORTATION	346,469,837	3,705.69	366,183,944	3,740.43	469,171,346	3,808.10
AIRPORT	11,287,595	52.50	10,860,027	48.00	11,461,961	48.00
TRANSIT REVENUE FLEET REPL	13,270,763	-	9,321,375	-	2,837,421	-
WTR POLUTN CNTRL EQPT	2,322,418	-	2,565,461	-	2,524,588	-
PUBLIC WORKS EQUIP RENTAL	10,535,780	54.00	10,987,809	55.00	9,851,537	55.00
MOTOR POOL EQUIP RENTAL	9,099,399	21.00	10,019,005	21.00	9,938,375	21.00
	457,456,317	4,429.89	476,894,349	4,449.13	577,114,150	4,509.31
Total Physical Environment	743,290,775	6,220.95	760,861,114	6,252.90	881,153,178	6,307.65